

The NATIONAL UNDERWRITER

Life Insurance Edition



THE FRANKLIN LIFE INSURANCE COMPANY

SPRINGFIELD, ILLINOIS

CHAS. E. BECKER
PRESIDENT

With a full measure of pride I announce that The Franklin Life Insurance Company moves this week into the select group of life companies having over \$200,000,000.00 of insurance in force....as a result of uniting the major portion of the business and resources of The Great American Life of San Antonio, Texas, with those of this institution.

With the addition of \$30,000,000.00 of Great American business to the already impressive figure of \$177,500,000.00 outstanding Franklin insurance, the Company now attains the stature of a \$200,000,000.00 organization.

Capital and surplus have been increased to over \$2,000,000.00additional assets of over \$3,000,000.00 swell Franklin resources to more than \$43,000,000.00.

An aggressive sales force in Texas and Louisiana is joined to The Franklin organization, and the already large volume of Franklin production in the South will be definitely accelerated.

The distinguished 56 year record of The Franklin Life, fused with the vigorous youthful growth of the record-breaking Great American, is certain to bring extremely beneficial results. I confidently anticipate that this \$200,000,000.00 milestone marks the beginning of a new era of progress for the greater Franklin Life.

A stylized, cursive signature of Chas. E. Becker, written in dark ink.

Chas. E. Becker
President.

FRIDAY, SEPTEMBER 6, 1940

INDIVIDUAL DEFENSE, TOO

National defense is easier for a nation whose people have individual economic security.

Life Insurance, therefore, looms large in the national defense picture, because sixty-odd million people in this country and Canada own Life Insurance as a defense against economic uncertainty in the future.

More than three million of these policies, aggregating almost three quarters of a billion dollars of Life Insurance are in force with this Company.

The
**NATIONAL LIFE
AND ACCIDENT
Insurance Company, Inc.**

C. A. CRAIG, Chairman of the Board C. R. CLEMENTS, President
HOME OFFICE NATIONAL BLDG.
NASHVILLE TENNESSEE



Is There a Substitute?

Of the thousands of estates settled during the past few years by one of our leading law offices, the startling fact was revealed that the number of estates solvent—exclusive of the proceeds of life insurance—could be counted on the fingers of two hands. Could one have a more potent or striking proof of the investment aspect of a life insurance policy—a more vital test of the value of such an investment?

Numbers of different investments were incorporated in those estates. Some were of value but one fact was most evident—There is no substitute for life insurance.

The Life Underwriter carries in his portfolio the "top" investment of all times—a life policy to suit every need, be it protection of loved ones or a more prosaic thing—a safe and sure investment.

If you are interested in the profession of the Life Underwriter, you will find it pays to be friendly with

PEOPLES LIFE INSURANCE CO.

FRANKFORT

"The Friendly Company"

INDIANA



THE LIFE INSURANCE AGENT

The life insurance agent is a good example of the typical American, a man in business for himself, a good neighbor in his own country. Among other things he has encouraged men to make much of family life, to plan for the endurance of their homes, the security of their dependents, and the education of their children.

Massachusetts Mutual
LIFE INSURANCE COMPANY
Springfield, Massachusetts
Bertrand J. Perry, President

The NATIONAL UNDERWRITER

Forty-fourth Year—No. 36

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, SEPTEMBER 6, 1940

\$3.00 Year, 15 Cents a Copy

Urges Wider Use of Compromise Where Fraud Is Absent

Mutual Life Vice-president Addresses Federation of Insurance Counsel

ATLANTIC CITY, N. J.—Aside from strike and nuisance value suits and unless some principle is involved, insurance companies would do well to consider the final abandonment of the ancient doctrine that if they have declined a claim they must be 100 percent right and nothing will do but to litigate to the highest court, L. W. Dawson, vice-president and general counsel Mutual Life of New York, declared at the annual meeting of the Federation of Insurance Counsel.

"Sincere contestants are seldom 100 percent right or 100 percent wrong," he said. "Trial lawyers know that where there is substantially conflicting evidence of facts or a substantial conflict in the interpretation of known facts there should be room for compromise. . . . Compromise is a rational and healthy way of ending honest disputes and leads to good will with policyholders and the public."

Where litigation is in prospect the home office should acquaint its local counsel with its general policy concerning compromise and some inkling of the basis which might be considered by the company. Local counsel should also be informed of other matters of policy, Mr. Dawson said. As a matter of fairness and good will, as well as for other reasons quick disposition of litigation is preferable to a policy of delay, he said. Long drawn out litigation ties up reserves needlessly.

Use of Technical Defense

Mr. Dawson said that a difficult problem arises when the use of a defense, apparently technical in nature, may defeat a clearly unwarranted claim. The wisdom of using such a defense should be guided by far sighted policy rather than the objective of the moment, and home office counsel are often in the best position to keep the long range policy in view, he said.

Obviously the use of technical defenses should never be countenanced to defeat a just claim, said Mr. Dawson, adding that it is the duty of home office counsel to see that even the appearance of resort to technicalities is avoided. Furthermore, he said, home office counsel should insist at all times upon the most meticulous observance of the rules of fair play and should be alert to see to it that misunderstandings concerning a company's motive and integrity do not develop.

Prompt use of a well trained inspection department or independent investigators, working with experienced home office counsel can often forestall litigation.

(CONTINUED ON PAGE 26)

Board Chairman of Mutual Life Dead

D. F. Houston Served as President of the Company for Thirteen Years

NEW YORK—David F. Houston, 74, chairman of the board of the Mutual Life and former president for 13 years, died at the Harkness Pavillion, Sunday, after a brief illness. Mr. Houston was known as a very conscientious, sincere and forthright life company executive. He was not counted a life insurance man



DAVID F. HOUSTON

in the wide knowledge of the subject but he brought to the Mutual Life a broad experience as a statesman and educator. He was Secretary of Agriculture from 1913 to 1920, and in that capacity assisted to organize the federal reserve bank system. From February, 1920, to March, 1921, he was Secretary of the Treasury and acted also as chairman of the federal reserve and farm loan boards. From 1916 to 1920 he was a member of the council on national defense.

Mr. Houston's Career

He was of Scotch descent and was born in Monroe, N. C., Feb. 17, 1866. When he was 36 years of age he became president of the Agricultural & Mechanical College of Texas and three years later became president of the University of Texas, where he previously had been a professor of political science. In 1908 he was appointed chancellor of Washington University in St. Louis. He was a director of the American Telephone & Telegraph Co., formerly being vice-president in charge of its welfare department. He was also a director of the Guaranty Trust Company, United States Steel and the North British & Mercantile Insurance Co. He retired as president of the Mutual Life the first of the year and was succeeded by L. W. Douglas, who had been a director of the budget at Washington, D. C., and later principal of Magill University.

Skeleton Schedule for Annual Meeting

American Life Convention Will Compress All Activities in Four Days

David Sarnoff, president, Radio Corporation of America, one of the world's outstanding industrial leaders, and Hugh S. Magill, president, American Federation of Investors, Chicago, will be among the guest speakers who will address the annual meeting of the American Life Convention to be held at the Edgewater Beach Hotel, Chicago, on Oct. 9-10.

Mr. Sarnoff probably will speak the afternoon of Oct. 9 and Dr. Magill on Oct. 10. The program committee which includes: Julian Price, president, Jefferson Standard Life; Lee J. Dougherty, Davenport, Ia. vice-president, Occidental Life of Los Angeles; and Jas. A. McLain, president, Guardian Life, is now putting the finishing touches to arrangements in cooperation with the headquarters staff and the executive committee, headed by President C. A. Craig, chairman of the board, National Life & Accident.

As has been the custom, the Legal Section will hold its annual meeting on the two days immediately preceding the main convention October 7-8. The Legal Section luncheon will be Oct. 7. The chairman is J. H. Cabaniss, general counsel, Protective Life of Birmingham, and secretary E. A. Roberts, vice-president and general counsel, Minnesota Mutual Life.

Financial Section

The Financial Section will meet Oct. 7-8, increasing to two days the customary one day meeting; the Industrial Section on Oct. 7, and the Agency Section on Oct. 9. The programs for these Sectional gatherings are in charge of the respective officers who are: Financial Section, chairman, F. J. Travers, second vice-president, Lincoln National Life, and secretary, C. F. Nettleship, Jr., secretary, Colonial Life of Jersey City; Industrial Section chairman, C. P. Kendall, vice-president, Washington National of Evanston, Ill. and secretary B. L. DeWitt, assistant secretary and assistant treasurer, Peninsular Life of Jacksonville; and Agency Section, chairman, W. F. Winterble, director of agencies, Bankers Life of Des Moines, and secretary, F. F. Weidenborner, agency vice-president, Guardian Life.

(CONTINUED ON PAGE 26)

Two sons survive, David F., Jr., of Providence, R. I., and Lawrence R., of New York, and one daughter, Mrs. R. C. Patton of Oyster Bay, N. Y.

The funeral was held Thursday at St. John's Episcopal Church, Cold Spring Harbor, N. Y.

Mr. Houston while he was with the A. T. & T. was assigned the duty of getting the public interested in acquiring shares in the corporation. He was highly successful in this regard. Mr. Houston gave his special attention to investments at Mutual Life office. He attended meetings of the field club and always gave a talk.

Strange Move of NLRB Is Closely Studied

Effort to Erase Paul vs. Virginia May Be Bureau- cratic Megalomania

ST. LOUIS—The significance of the Aug. 23 ruling of the National Labor Relations Board in a case involving industrial agents of John Hancock Mutual Life in East St. Louis, Ill., and Hoboken, N. J., is being studied intently by insurance leaders who are seeking to determine whether the federal authorities are preparing to press for an immediate court battle to wipe out the Paul vs. Virginia Supreme Court decision and thus pave the way for federal supervision of insurance.

The ruling holds that the NLRB has the power to assume jurisdiction in the petitions presented by the John Hancock agents from East St. Louis and Hoboken, but neither ruling mentions Paul vs. Virginia nor New York Life vs. Deer Lodge. Instead of coming out with a statement that John Hancock Mutual Life is engaged in interstate commerce and, therefore, within the jurisdiction of the NLRB, the board "flies to California via Ireland" in these words:

Strained Reasoning

"The prominent place of the company in the insurance business in the United States is clear from the foregoing." (The board in the early part of the ruling had reviewed the company's method of operations, how back in 1937 for instance, it had purchased furniture, fixtures and mechanical equipment having a value of \$223,324 in Boston and that 36 percent of such items were delivered to district offices, some in other states.)

"So also is it clear that the company, by its loans totaling hundreds of millions of dollars to industry and railroads, to power companies, telephone companies, and other public utilities, to companies engaged in large-scale financing of automobile sales, and to other commercial enterprises, makes a contribution to the nation's commercial and industrial life and transportation systems which, if disturbed, would paralyze much of the nation's commercial life."

"We find that the operations of the company have a close, intimate, and substantial relation to trade, traffic, commerce and transportation among the several states."

And also that "the questions concerning representation which have arisen, occurring in connection with the operations of the company . . . have a close, intimate, and substantial relation to trade, traffic, commerce, and transportation among the several states, and tend to lead to labor disputes burdening and obstructing commerce and the free flow of commerce."

The labor organizations that are attempting to take over the bargaining representation are American Federation of Industrial & Ordinary Insurance

(CONTINUED ON PAGE 26)

National Life Marks 90th Birthday

Vermont Ruggedness Keenly Appreciated by the Field Force

Yankee Shrewdness in Management Is Source of Confidence

By ROBERT B. MITCHELL

Not many of the National Life's field force are native Vermonters but all have a keen appreciation of the rugged Vermont virtues as exemplified in their company. At a time when individual thrift, initiative, common sense, integrity and straight thinking seem to be coming back into their own after two decades marked by the mirages of stock market prosperity and spending our way back to recovery, the state of Vermont has typified the level-headed, unexcitable attitude which has no patience with fuzzy reasoning or visionary experimentation based on wishful thinking.

At the National's 90th anniversary convention held this week at the Edgewater Beach hotel, Chicago, it was evident that it is this spirit which the field men so keenly appreciate and see embodied in their company. When President Elbert S. Brigham mentioned in a matter of fact way the infinitesimal percentage of National Life assets that is in default there was a ripple of appreciative chuckles at this evidence of Vermont thrift and shrewd management.

It should be noted, however, that the company and the field force are fully aware of the distinction between common sense conservatism and a reactionary disposition to stick blindly in the same rut. For example, five years ago when FHA mortgages were new, the National was one of the first of the major companies to go in for them to any extent.

Offhand it might be supposed that a home office located in Vermont would be among the last rather than the first to lend its endorsement to a New Deal program such as the FHA. But when a shrewd appraisal of the situation indi-

(CONTINUED ON PAGE 16)

Storms Ahead No Worse Than Those Weathered—Brigham

In spite of conditions today—including even the possibility that we may be drawn into war—a survey of the 90 years of the business life of the National Life of Vermont shows that there were many periods when our predecessors had to meet situations just as trying, just as threatening and presenting relatively greater problems than those we now face. President E. S. Brigham declared at the annual convention at Edgewater Beach hotel, Chicago, which marked the company's 90th anniversary.

Going back over each of the wars and major depressions of the last 90 years, Mr. Brigham showed how the National had gone ahead increasing its assets. In spite of the disastrous panic of 1857 the National's assets increased 3½ times in the five years from 1855 to 1860, even though this was during its first decade of existence. Despite the Civil war depression of 1873, the National nearly doubled its assets from 1870 to 1875. Later depressions showed the same characteristic of going ahead in spite of depressions. The gain in assets in the nine years since the great depression of 1930 was 55.43 percent.

Encouraged About Future

Expressing confidence in the future, Mr. Brigham said, "When I feel discouraged over the trend of affairs and particularly when I hear the prediction that the world is to revert to the dark ages following the fate of the Roman Empire, I think of that paragraph in Lord Bryce's work on modern democracies which reads as follows:

"The saddest memories of political life are of moments at which one has had to stand by when golden opportunities were being lost, to see the wrong thing done when it would have been so easy to do the right thing. But this observation was made by a Persian to a Greek at a dinner party the night before the battle of Plataea 24 centuries ago and the world has nevertheless made some progress since then."

"I for one am going to believe that it will continue to advance and our company with it," Mr. Brigham declared.

Success of FHA Mortgages

Since the National Life was one of the first life companies to invest substantially in FHA mortgages when these became available five years ago, Mr. Brigham's hearers were particularly

interested in his comments on these holdings. Citing the low yields available in other types of safe investments, Mr. Brigham said the FHA yield was most favorable, that with careful selection of borrowers an 80 percent or even a 90 percent loan should be good, and that finally the company had as security not only a mortgage with a note signed by a reputable borrower but in the event of foreclosure the privilege of turning over the property to the FHA in exchange for government - guaranteed bonds bearing 2.75 percent covering practically the entire investment.

"In other words, if all went well we had a fair chance of earning 4 percent on our investment, but if the worst happened the company would receive a government guaranteed bond yielding a better rate than any available in the market and with a possibility of maintaining its market price should other government issues fall in price, because FHA debentures may be used at par and accrued interest to pay mortgage insurance premiums to the Federal Housing Corporation. . . .

Aggregate FHA Holdings

"On July 1 the company had currently invested \$57,377,144 in insured loans on 9,186 properties. Since 1935 we have invested a total of \$68,135,952 in 10,381 loans. Amortization payments and repayments have totaled \$10,758,808, showing this to be a very active account. Loans placed in 1935 have now been reduced over 20 percent and are correspondingly more secure.

"Our experience has been favorable beyond our expectations. Up to July 1, 24 completed foreclosures, involving investments totaling \$161,422 resulted in our receiving \$19,955 in cash, \$134,700 in government guaranteed debentures, and \$7,186 in certificates of claim. . . . After this experience of five years, I can state that our venture into the insured loan field has proved to be a fortunate one from the standpoint of earnings and safety of principal."

Margin Below Restrictions

Mr. Brigham said that as for any question about the percentage of the National's assets going into mortgages, the new New York insurance code permits life companies to invest up to 40 percent of total admitted assets in standard

(CONTINUED ON PAGE 28)

Many Practical Sales Pointers Are Presented

Concurrent Seminars Are Feature of Business Sessions

Addresses on specific sales pointers were a major feature of the National Life's 90th anniversary convention. All of them were geared to the convention theme, "Moving Forward With Right Thinking and Positive Action." In order to give the younger agents an opportunity to discuss their particular problems, a separate session was held concurrently with last half of the advanced underwriting clinic.

Got Theme From Blotter

Taking as his theme an epigram of Calvin Coolidge's, "conscious effort is the stepping stone not only to success but to character," C. H. Orr, C.L.U., general agent Philadelphia, at the first general session, spoke on "Organizing to Move Forward." Admitting that he got the quotation off an advertising blotter, Mr. Orr said:

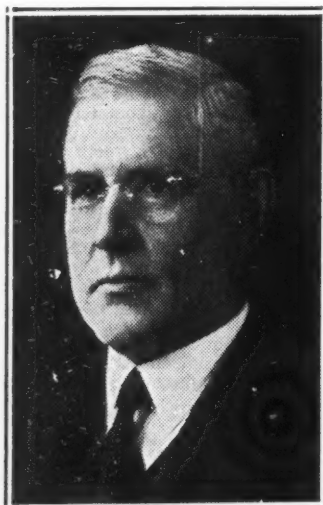
"My wife got me to open the bills. We found that this was a good idea as a lot of them have good blotters." He also mentioned that he was supposed to give a "keynote" speech but that after studying the subject the only thing that he could be certain of was that there should be somebody in the basement shouting "We want Roosevelt!" over the loud-speaker system.

Mr. Orr has the distinction of having done more business in his agency in the first seven months of this year than in all of 1939. He said there are four factors in organizing to move forward: Personality, personal efficiency, knowledge and training, and selling technique or action. He emphasized that without action nothing else matters much.

Four Personality Factors

Four factors in personality, he said, contribute to success: mental attitude, a philosophy of life in harmony with the life insurance business, in connection

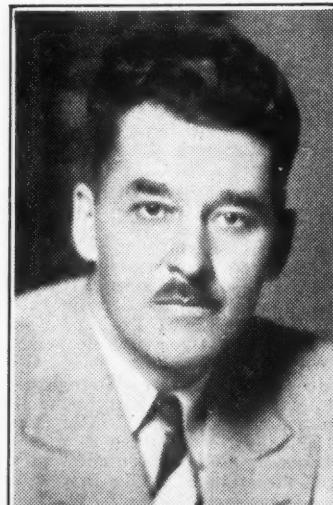
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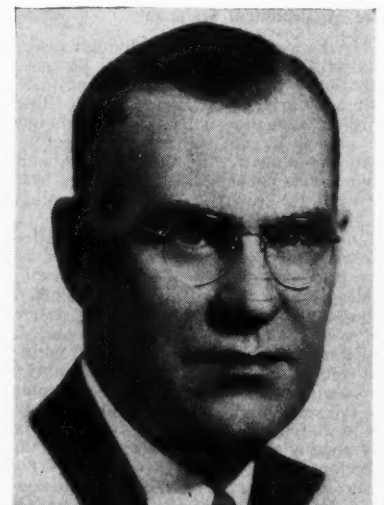
E. S. BRIGHAM
President



R. E. WOOD, Chicago
Director



DEANE C. DAVIS
General Counsel



KARL G. GUMM
Assistant Superintendent of Agents

Says U. S. Control Has Not Yet Proved Its Superiority

Zimmerman Tells N. F. C. News of TNEC Report Is Biased and Misleading

Federal regulation of life insurance has yet to prove its case, C. J. Zimmerman, president National Association of Life Underwriters, told the National Fraternal Congress in its annual session in Baltimore. The "objective" study of life insurance by Securities & Exchange Commission, culminating in the report to the Temporary National Economic Committee, has presented to the institution one of its most serious problems, he said.

The nub of the problem, Mr. Zimmerman said, is the excerpts from the report which are finding their way systematically into the press.

Finds No Favorable Comment

"I defy anyone to find even one sentence or thought in these excerpts which is favorable to any phase of operations of the institution of life insurance," Mr. Zimmerman said. "Minor cases of irregularities which are the exception are made to appear major in importance and the general rule."

He commented that the press in presenting these excerpts noted they were printed "without comment" as prepared by Gerhard Gesell, SEC counsel in the inquiry.

"The phrase 'without comment' is indeed a masterpiece of irony," Mr. Zimmerman said. "No comment is needed, for these excerpts, in my judgment, are so prejudiced, biased, incomplete and misleading that any comment would be entirely superfluous."

"To add to the irony of the situation, the TNEC announces that it 'desires to point out that the report has merely been received as evidence and does not represent the opinions or conclusions of the members of the TNEC.' If these excerpts are seriously considered as evidence based on a fair, impartial study of the institution of life insurance, then Senator O'Mahoney and the TNEC need not withhold their recommendations until after the election, for the verdict has already been announced."

Institution Cooperated Fully

"The institution of life insurance was most friendly and cooperative with this study. . . We recognize that no institution, created by and dedicated to the welfare of mankind, has attained perfection. Any fair and objective study of our institution or any other could not fail but to focus our attention more distinctly upon such faults and weaknesses. This would give us a greater incentive to correct and eliminate them."

Mr. Zimmerman noted that in the last decade less than two-thirds of 1 percent of assets of legal reserve old line life companies were adversely affected and no fraternal operating on the American Experience table basis and under open contract had to levy a special assessment against members. Yet in discussing "company retirements—reinsurance and failure" the TNEC report as quoted by newspapers, reads: "During the 10 years 1930 to 1939, 188 life insurance companies discontinued operations as a result of reinsurance, merger or receivership. The reinsurance of companies in bulk has frequently been accompanied by irregularities for which policyholders have suffered heavy losses."

Mr. Zimmerman commented, "Note (CONTINUED ON PAGE 28)"

Revamp Setup of Becker Companies

Franklin Life Gets Ordinary Business of Texas Unit—Capital Higher

Announcement that the major resources and business of the Great American Life of San Antonio were united this week with Franklin Life of Springfield, Ill., has been made by Charles E. Becker, president of both companies.

Franklin Life is a substantial and highly respected institution. Founded in 1884, it has \$177,500,000 of business in force. Great American Life was organized by Mr. Becker in San Antonio 10 years ago and has enjoyed rapid growth. It had more than \$40,000,000 of insurance in force with a capital of \$500,000 and net surplus of \$650,000.

Several months ago the entire capitalization of Franklin Life was acquired by the same financial interests that control Great American. The unification program made effective this week throughout the operating areas of the two companies is the result of identical ownership.

Through the process of uniting the ordinary business of Great American with that of Franklin, the Illinois company will have more than \$200,000,000 of insurance in force. Its capital has been increased to \$1,100,000. It has been \$250,000. Assets of Franklin will also be increased to a point of nearly \$44,000,000.

Great American Life will remain in San Antonio as a separate unit of Mr. Becker's organization, operating primarily as an industrial company. Reinsurance of the major portion of its ordinary business means that it will have more than \$10,000,000 of industrial in force. Its capital structure has been

Alk and Moynahan Head C. L. U. Slate

Benjamin Alk of New York for president, John D. Moynahan of Berwyn, Ill., for vice-president, E. A. Krueger, Indianapolis, for treasurer and David McCahan of Philadelphia for secretary is the slate recommended by the nominating committee of the National Chapter Chartered Life Underwriters. The formality of balloting is being conducted by mail. That the nominating committee's report will be approved is a foregone conclusion.

Mr. Alk has been the vice-president of the national chapter. He is connected with Penn Mutual Life and is the immediate past president of the New York City Life Underwriters Association.

Mr. Moynahan is manager for Metropolitan Life for the western suburbs of (CONTINUED ON PAGE 28)

modified simultaneously to the extent that it will continue operations with \$325,000 of cash capital and surplus.

The two agency organizations last year produced almost \$30,000,000 of new business. It is anticipated that Franklin will hereafter pursue a much more aggressive agency policy than in the past.

Announcement of the merger program was made to agents of Great American Life at their convention last week in Springfield, Ill., and Chicago. About 75 participated in that outing. There was a brief business session at Springfield at which the announcement was made. Then the group journeyed to Chicago. The group was entertained at the Chez Paree night club at Chicago one evening. The next day they took a boat trip to Milwaukee and return.

The announcement had been made to the Franklin Life organization at the agency convention at Virginia Beach several weeks ago.

Insurance Counsel Association Holds Annual Meeting

Ways of Heading Off Friction Between Companies and Claimants Discussed

WHITE SULPHUR SPRINGS, W. VA.—Methods of eliminating in advance sources of friction between claimants and insurance companies were discussed at the annual convention of the International Association of Insurance Counsel here this week.

As a means of clearing up the confusion in the minds of insurance companies' lawyers and adjusters as to just what the working arrangements between them should be, H. S. Don Carlos, manager life, accident and group claim departments, Travelers, advanced the following points:

1. The claim man should detect at as early a date as possible those cases which are going into litigation and take them up with the insurance attorney immediately. Not only should the attorney have the earliest possible opportunity of assisting and counseling the claim man to avoid litigation where that course is the improper one but both of them should be working immediately to prepare other types of cases for proper defense.

2. The claim man and the attorney should decide as early as possible whether to try to settle the case before trial or whether the defense is based on principle. Then, unless additional facts come to light changing the picture materially, they should stick to that decision.

3. They should prepare the case as partners. They should keep in touch with each other in connection with each development. Many times small items may be significant to one and not to the other member of this team.

Disagreements Not Inevitable

"Some people in this business seem to think that insurance lawyers and claim men cannot agree upon a settlement of cases to be tried," said Mr. Don Carlos. "However, with the attorney and the claim man working closely together in careful analysis and giving due consideration to every phase of the case they are apt to be in substantial agreement in the vast majority of instances. The missing link is that they do not take the trouble to sit down together and come to a decision whether the case is to be tried or some other disposition made of it if the opportunity presents itself."

Mr. Don Carlos said one of the first things to clarify in the insurance lawyer's attitude is for him to get rid of the mistaken idea that the claim man and his company will get the impression that he is afraid or lacks the ability to try a case just because he is strong enough and fair enough to lay the entire merits and demerits of the case before them with a recommendation that they pursue some course other than trial, or even that the claim be paid in full.

Cases Wrongly Selected

Speaking generally of past selection of cases for trial and appeal, Mr. Don Carlos said he felt a good deal of the judicial revision of life and disability and perhaps other contracts has been incurred by the wrong selection of cases to submit to the courts. Such wrong selections have contributed to the discontinuance of permanent total disability (CONTINUED ON PAGE 28)

PERSISTENT

This policy was issued in 1932, and the insured died in 1935, after paying total premiums of \$1,232.40, less dividends of \$104.22. Thus the actual cash paid was \$1,128.18.

The beneficiary has received 65 monthly payments of \$100 each, and remaining to be paid are 175 more monthly payments, plus a final sum of \$10,000, which will be payable in 1955.

An excellent profit from the contract, for the insured and beneficiary. But what is even more interesting is this. When the second premium came due, back in 1933, the insured decided to lapse the policy.

Our underwriter spent an entire evening with him, trying to induce him to keep the insurance in force. After several hours of listening to the underwriter, the insured went upstairs and returned with enough cash to take care of the premium payment.

Was this a case of "the too persistent agent" we sometimes hear about?"

* * *

THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY
Chairman of the Board

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

Actuary Calls for Prompt Action on War Clauses

The emergency military steps now being pushed by the national administration should give rise to serious consideration as to whether it may not be wise to take effective action and provide suitable war clauses for all new life policies without further delay. This was the conclusion of W. O. Menge, associate actuary of Lincoln National Life, in a paper presented at the meeting of the Institute of Home Office Underwriters in Chattanooga this week.

Short of a general war clause on all newly issued policies, according to Mr. Menge, the underwriting facilities for neutralizing the effects of anti-selection appear to be exhausted.

The underwriting departments, he said, have been giving particular attention to certain types of applicants such as foreign born persons resident in the United States, persons contemplating travel or residence abroad, members of the merchant marine, members of relief organizations, such as Red Cross, Y.M.C.A., Salvation Army, etc., aviation pilots and potential pilots. Those are the groups that face additional hazards at the present time. However, in the event of the United States becoming a belligerent, the hazards to some of these groups may be less than to certain other elements of the population that face no war hazard at the present time. The groups that have been isolated for special attention by underwriters do little more than scratch the surface of the problem, he declared.

New and Important Problems

With Congress considering a compulsory military service bill that will affect millions of young men in the course of a few years, and with legislation already passed enabling the President to call out the National Guard and reserves for a year's intensive training, the underwriting departments are now confronted by some new and important problems.

Mr. Menge went back to the world war experience in an attempt to apprehend the hazard of the day. Throughout his discussion, he pointed to reservations that must be made because of changed conditions of warfare, however.

With the disregard for the rights of non-combatant population which has been witnessed during the past year, it may be assumed, that war and epidemic mortality will continue in combination to strain the resources of life companies. It is doubtful whether pandemics of the future will strike to the same extent as in 1918 and 1919. Medical research has been making great progress in the field of infection. However, he observed that the effect of the influenza epidemic of 1918 was modified for the life companies in that it increased to the greatest extent the mortality among young lives who had not had opportunity to build up substantial life insurance holdings. There is no assurance that an epidemic would again strike at the younger ages. Mr. Menge referred to some studies of the excess mortality in war time, but concluded that the studies are of limited value in estimating the price in lives exacted by modern warfare.

War Risk Exclusions

In taking up the question of war risk exclusions, Mr. Menge pointed out that in the United States a life insurance policy is a unilateral contract in the sense that the renewal of the policy and the extent of the hazard are entirely out of the insurer's control. Then, he observed that life insurance contracts in this country are extremely liberal. The only restriction that is now incorporated generally is the suicide exclusion provision for a limited period of time and in isolated instances limitations of payment in the event of aviation death are incorporated in certain contracts in order that standard rates may be afforded for

coverage which excludes the aviation hazard. Most companies have canceled any restrictive war clauses that may have been incorporated in their policies during the former war. In contrast, Continental European policies issued prior to last September were not so free from restrictions.

Mr. Menge took up the argument that is sometimes heard that the military forces who fight to protect the liberties and institutions of the country should be granted full protection at standard rates; that the loss arising out of their sacri-



W. O. MENGE

fice should be borne by all the policyholders.

In answer Mr. Menge pointed out that mortality tables which underly the computation of premiums do not provide for the extra hazard of war or other unusual risks. Contingency reserves are used in the construction of gross premiums, however, and these are sufficient in times of peace when the possibility of war is remote, to take care of the war risk. Once war becomes a reality, however, or the public believes it will soon become a reality, the situation is different. Those who believe they should be subjected to increased hazards would take substantial amounts of insurance if they could buy unconditional policies. An overwhelming proportion of the total new business would be subjected to hazard. The principle that each group of policies is self supporting would have to be abandoned. Coverage for war losses is a burden to be borne by the entire population, he argued, and not by policyholders and companies alone.

Uniformity Goal Is Remote

The broad principle that the extra cost of insurance for combatants should be charged against the general public was recognized by the federal government in the last war through its war risk bureau. There is no reason to believe that the same principle will not receive consideration in the future, since a federal act now in effect enables any person in the military or naval service to obtain life insurance up to \$10,000 without medical examination, without limitations and at no extra premium if application is made within 120 days after entrance into service.

Mr. Menge observed that since last September some of the American companies have adopted war clauses and procedures to be used for particular classes of risks. Supplemental questionnaires were devised to produce information on the applicant's military or aviation activities, citizenship, intentions to travel abroad, etc. Inspection companies have given very good service.

The trend in the development of a solution of the war risk problem is not encouraging to those who are hopeful of

Southland Life Has Annual Three Day Vacation Meeting

ESTES PARK, COLO.—Southland Life held its 31st annual vacation meeting here attended by some 125 company officials, managers, agents and wives. The five-day meeting was presided over by A. Morgan Duke, president. Luke J. Kavanaugh, Colorado commissioner, guest speaker, talked on "War Clauses." Joseph Woodward, vice-president and assistant agency director, presided at the business session.

Company officials included W. C. McCord, secretary-treasurer; John Briggs, assistant secretary, and Lorry Jacobs, director of public relations. Mr. Duke is chairman of the board of Commercial Standard of Fort Worth and had the following officers from that company as guests: J. R. Plummer, president; W. B. Todd, executive vice-president; K. F. Vasen, secretary-treasurer, and L. C. Gerding, branch manager Rocky Mountain office, Denver. Mr. Todd was one of the luncheon speakers.

Outside Company Men Guests

W. Lee Baldwin, president Colorado Life, was a guest at the convention, and he brought with him Burr Betts, secretary; Charles Mehlman vice-president and actuary, and his nephew, Lyman Baldwin, assistant superintendent of agents, Union Mutual, Portland, Me., who is vacationing in Denver.

Newly appointed Manager William Murphy, Houston, formerly of the Rough Notes Co., attended. Prominent agents were C. E. Seay, Dallas, leader in that territory; Isadore Segall, Dallas, leader in that city; Neil Wright, Lubbock, Tex., oldest agent in point of service, 31 years; Muriel Briggs, Dallas, who has completed three applications a week for three years, and W. T. Gwaltney, Fort Worth, member Million Dollar Round Table.

Pledger Will Substitute

F. F. Nesbit of the law firm of Nesbit, Pledger & Edgerton of Washington, D. C., who was scheduled to prepare a paper for the insurance law section of the American Bar Association at Philadelphia in the round table discussion devoted to insurance law practice and procedure, finds that he will not be able to attend. His partner, C. E. Pledger, Jr., will take his place and speak on "New Federal Rules Relating to Discovery and Examination Before Trial as Affecting Insurers."

greater uniformity in provisions and procedures, Mr. Menge said. The tendency has been for each state to stipulate more and more precisely from time to time, the practices which it will permit and the exact language to be used, without reference to the requirements of other states in which the company may also be doing business. The war clauses which have been submitted to the various states for approval by the various companies and used in isolated cases where the judgment of the underwriter so indicates differ considerably in wording from war clauses in use during the last war.

Although there appears to be sound reason for a permanent limitation on account of death due to residence or travel, it appears that several of the insurance departments have not approved clauses which limit coverage beyond the two year incontestable period. The need for a longer period is emphasized in the case of certain maritime occupations in which the assured must regularly be taken into hazardous areas.

Home office underwriters, he said, are working under extremely adverse conditions. Because companies generally are not including war clauses in their policies, the underwriter is burdened with the assaying of each risk carefully

Fraternalists Support State Supervision of Insurance

N. F. C. to Memorialize Congressmen Under Resolution Adopted

State supervision of life insurance was approved in a resolution by the National Fraternal Congress in the annual meeting in Baltimore, as the safest and most reliable method, and as permitting the people free choice of their insurance without competition from the national government. The resolution sets forth that fraternalists and other life insurance companies are the greatest reservoir of the people's savings and urges state supervision as essential for the maintenance of safe investments, freedom of action, etc.

A. O. Benz, president Aid Association for Lutherans, Appleton, Wis., the new N.F.C. president, elected in Baltimore, was given a staff of officers and executive committee of the ablest, most successful society executives, with whom to meet the challenge of the next year.

Heaney Is Placed in Line

Election of T. R. Heaney, high secretary Catholic Order of Foresters, Chicago, as vice-president places him in line for the presidency at the 1941 convention. He is an official of many years' experience in business and fraternalism, who is regarded very highly.

O. E. Aleshire, president Modern Woodmen, Rock Island, Ill., retiring president presidents section; J. P. Sekerak, president Greek Catholic Union, Munhall, Pa.; N. J. Williams, president Equitable Reserve, Neenah, Wis., and Miss Frances D. Partridge, retiring N.F.C. president and secretary Woman's Benefit, Port Huron, Mich., were reelected on the executive committee for one year. Mrs. Grace McCurdy, head of Royal Neighbors, Rock Island, Ill., and F. P. Matthews, Omaha, head of Knights of Columbus, were elected to fill vacancies. The president and vice-president complete the committee.

Discontinue Midwinter Meeting

Action was taken by resolution to eliminate the midwinter meeting of sections which is held in Chicago in February, and to advance the annual meeting from August to September. The 1941 meeting will start Sept. 23, and thereafter the meetings will start on the fourth Tuesday in September each year.

This resolution and another increasing the dues were read and explained by B. C. Marks, head of A.O.U.W. of North Dakota. Due to conventions of several societies each August they have found difficulty in sending representatives to the N.F.C. meetings. This was especially true of Knights of Columbus, which although it has been a member for a number of years has been inactive. It is expected to take a much more important place in N.F.C. affairs with Mr. Matthews on the executive committee. Mr. Matthews is a leading Omaha attorney, past president chamber of commerce there; for many years has been a trustee and director of Boys Town and Boy Scouts, and also headed the Red Cross drive there.

The dues, Mr. Marks said, must be
(CONTINUED ON LAST PAGE)

to make certain that his company does not assume an undue proportion of relatively hazardous risks without adequate compensation in the form of premiums.

Research Bureau School Alumni to Have Dinner at Philadelphia Convention

The Eastern Alumni Association of the Sales Research Bureau schools in agency management is sponsoring a reunion dinner to be held in conjunction with the National Association of Life Underwriters convention in Philadelphia. The association has invited all school alumni who plan to be in Philadelphia for the convention to attend.

The dinner will be held at the Penn Athletic Club, Tuesday evening, Sept. 24 at 6:30.

Harris L. Wofford, manager for Prudential Insurance in New York City, as president of the association, is in active charge of arrangements. The entertainment is being handled by George Shoemaker, general agent for Provident Mutual in New York.

Manager John Marshall Holcombe, Jr., of the Research Bureau and B. N. Woodson, director of the schools, as well as several other members of the bureau staff will attend the dinner.

Thirty-one women have already qualified for the 1940 Women's Quarter Million Dollar Round Table of the National Association of Life Underwriters, according to Berenice Meistroff, Guardian Life, Kansas City, chairman. Additional applications for membership, still being examined, will raise this total before the meeting at Philadelphia Sept. 23.

The total of 31 is divided: Nine life and qualifying members; seven qualifying members who attain life memberships for their third consecutive qualification; nine qualifying members, and six life members.

Julius Gilbert, Davenport Agency Head, Makes Move

Julius Gilbert, general agent of Lincoln National Life at Davenport, Ia., will resign his connection effective Sept. 30. He has not as yet determined his future plans but has several important connections available. No successor has been as yet chosen.

Mr. Gilbert became general agent of Lincoln National at Davenport, November, 1934. At that time the production of the agency was less than \$150,000. In 1935 the agency paid for more than a half million and in 1938 wrote more than a million, and was operating only over a small territory in eastern Iowa and northern Illinois. The average production for the unit was more than \$600,000 per year and indications for 1940 were considerably above 1939.

The agency has had one or more representatives on the company's highest honor roll each year. Mr. Gilbert has been several times a member of the company's Circuit Rider Club, once an Emancipator and twice a member of the Minute Men Club, the highest honor club of the company.

He entered life insurance as district manager in southeastern Nebraska for Mutual Life in 1925. He led the Omaha agency in both written and paid business in 1928, 1929 and 1930. He was made division manager in the Nebraska agency in January, 1930, and appointed agency organizer of the Davenport agency, November, 1931.

He was born and reared on a farm in southeastern Nebraska, is a graduate of Eastern Nebraska Teachers college, Peru, Neb., alumnus of Nebraska university, did post graduate work in Columbia University, was athletic coach and principal or superintendent of public schools in Nebraska 15 years and resigned as principal of the Beatrice High School to enter the life insurance business.

Returns Avidly to Selling

H. G. Behan has resigned as agency assistant in the O. S. Spencer agency in Hartford Massachusetts Mutual Life and will continue with that office, giving his full time to personal selling. He

C. L. U.

R. L. Stringer Elected President Detroit Chapter

DETROIT—R. L. Stringer, Reem agency of State Mutual, was elected president of the Detroit C. L. U. chapter at the annual meeting, succeeding W. H. McCoy, New England Mutual. L. L. Mackey, manager Home Life, was named vice-president and Miss M. L. TenBrook, Mutual Benefit, was re-elected secretary-treasurer. Detroit's only feminine holder of the C. L. U. designation, Miss TenBrook has served several terms in this office.

Stress Merchandising Angle

The Buffalo C.L.U. chapter plans for a series of educational meetings this year featuring talks by sales managers in various lines of business, it was announced by Arthur L. Beck, president of the local chapter.

"We are putting emphasis on the merchandising phases of insurance and we hope to secure men who can discuss merchandising principles which can be applied to our business," Mr. Beck said.

Monroe Is Dallas Dean

John A. Monroe, Jr., Great National Life, has been reappointed dean of the study classes of the Dallas C. L. U. chapter for the 1940-41 term. The review course will get underway Sept. 16. Organization of classes will be in charge of R. E. Fried, American United Life.

Proctor New Nashville Head

E. T. Proctor, general agent Northwestern Mutual, was elected president of the Nashville Chapter of C. L. U. succeeding Walton Litz. Kimbro Dunlap, Prudential, was elected vice-president, and Ed Britt, New York Life, secretary-treasurer. C. L. U. courses are taught in Nashville in the Watkins Night School, a new term beginning this month.

believes that the current upswing in sales is due to continue long after the current period of business activity brought on by the national defense program.

Mr. Behan belongs to a prominent insurance family. His father, J. C. Behan, is vice-president of Massachusetts Mutual; his uncle, the late T. E. Behan, was formerly superintendent of the New York insurance department, and another uncle, Jay W. Behan, is now registrar of New York Life. Mr. Behan is active in the local and state life underwriters associations. During his presidency of the Hartford association it gained 119 new members, ranking seventh among the 10 leading associations throughout the country in numerical gain.

Farm Editor Nebraska Speaker

Walter B. Lehmkuhl, assistant secretary of American Reserve Life, and president of the Insurance Institute of Nebraska, announces that the first fall meeting of the institute will be held in Lincoln, Sept. 24. Tom Leadley of the "Nebraska Farmer" will discuss "Nebraska Agricultural Economy and Its Effect on Business in General and Life Insurance in Particular." Mr. Leadley is president of the American Agricultural Editors Association.

The following committees have been named:

Program: D. M. LaClair, United Benefit Life, chairman; H. L. Schwenker, Lincoln Liberty Life; A. M. Haight, Haight, Davis & Haight, actuaries, Omaha.

Arrangements: L. E. Corp, Bankers Life of Nebraska; J. C. Buffington, Jr., Guarantee Mutual Life.

Membership: Glenn D. Schwenker, Woodmen of the World; L. K. Bourke, Woodmen Central Life.

California Supreme Court Issues Chapter 9 Suit Writs

LOS ANGELES — The superior courts of San Francisco, Santa Barbara and Orange counties now are precluded from hearing any further proceedings against Commissioner Caminetti as conservator of the Chapter 9 life insurance companies until after Oct. 1. The state supreme court has issued alternative writs of prohibition and dismissal of action from the district courts of appeals. In the cases of the Mt. Moriah and Physicians Life of San Francisco county, writs were issued to the superior court of that county. In the case of the Benjamin Franklin Life the supreme court issued the writ to the superior court of Santa Barbara county.

In the Alliance Mutual case the supreme court ordered the dismissal of the action in the district court of appeals in San Diego, which had denied Mr. Caminetti a writ of prohibition against the superior court of Orange county. Following this dismissal it is expected the supreme court will direct the writ of prohibition in Orange county as it has in San Francisco and Santa Barbara counties.

With the prohibition writ obtaining, the trials will be discontinued until after the supreme court rules on the permanency of the alternative writ.

In the meantime the Southwestern Life has obtained an alternative writ of mandate against Mr. Caminetti seeking to compel him to return control of the company to its former officers.

Policyholders of the various companies have made a move to form a protective committee and have retained Maynard Garrison of Betts & Garrison, insurance attorneys, to represent them. It is not yet known whether or not the policyholders committee will support the stand of the division of insurance and Conservator Caminetti.

Cases of all the companies domiciled in Los Angeles county are scheduled to come up in the superior court before Judge Schmidt on Sept. 11.

Commissioner Waters Quits to Head Texas Company

R. G. Waters has resigned as Texas casualty commissioner to become president of United Employers Casualty of Houston.

Reuben Williams was appointed casualty commissioner by Governor O'Daniel. He has been O'Daniel's private secretary since inauguration in January last year. Previously he practiced law in Ft. Worth for four years. Mr. Williams is 31 years of age. He managed O'Daniel's campaign this year.

Proctor Agency Wins from Four Offices in Contest

NASHVILLE, TENN.—E. T. Proctor, general agent, announced that the "Southern Feud" contest staged by the Tennessee, North Carolina, Virginia and Georgia state agencies of the Northwestern Mutual Life in June, July and August, has been won by his Tennessee agency. With three leading producers, Martin Loventhal and Olden Smith, Nashville, and J. P. Stewart, Memphis, he joined the general agents of the three other states and three leading producers in each state at Highlands, N. C., where they are being entertained at the Highlands Country Club for the four days this week. Other general agents making the trip are W. T. Nolly, Richmond, Va.; L. E. Allen, Atlanta, and L. W. Norton, Durham, N. C.

The contest which is based on lives, volume and percentage of quota, has been conducted annually for seven years. North Carolina has won three times, Tennessee twice, and Virginia and Georgia one time each.

Give your agents a new viewpoint. Distribute Carroll C. Day's "Little Red Wagons and Little Red Boots." Send \$1 for eight copies to National Underwriter.

W. Va. Record for 1939 Is Given

The West Virginia department in its annual report, shows that life insurance issued in the state during 1939 amounted to \$155,482,957 as compared with \$162,807,930 the previous year. The business was divided \$63,744,862 ordinary; \$43,275,797 group; \$48,460,173 industrial. Insurance in force amounted to \$997,188,244, a gain of \$28,196,906 for the year. The record of individual companies is as follows:

| | Issued 1939 | In Force |
|-------------------------|-------------|--------------|
| Acacia Mutual | \$ 920,165 | \$12,185,185 |
| Aetna Life Ins., ord. | 1,135,463 | 11,986,447 |
| Aetna Life Ins., grp. | 3,810,461 | 24,943,376 |
| American Natl., ord. | 133,792 | 107,542 |
| Amer. United, ord. | 398,953 | 1,147,027 |
| Amer. United, frat'l. | 2,125 | 1,845,796 |
| Atlantic Life | 358,705 | 2,961,886 |
| Bankers Life, Ia. | 941,308 | 8,431,838 |
| Bankers Life, Neb. | 9,630 | 119,975 |
| Bankers Natl. | 85,004 | 697,645 |
| Berkshire | 4,216 | 379,155 |
| Business Men's | 214,178 | 961,541 |
| Columbus Mut. | 30,000 | 1,045,267 |
| Commonwealth, ord. | 355,553 | 1,698,658 |
| Commonwealth, ind. | 1,701,167 | 4,401,583 |
| Connecticut Gen. ord. | 581,958 | 5,802,728 |
| Conn. Gen., grp. | 1,708,980 | 4,327,002 |
| Connecticut Mut. | 897,029 | 5,332,298 |
| Conservative, W. Va. | 1,516,710 | 9,716,928 |
| Continental Amer. | 16,272 | 336,480 |
| Continental As., ord. | 42,046 | 159,219 |
| Continental As., grp. | 9,000 | 106,000 |
| Credit Life | 968,455 | 547,672 |
| Equit. Life N. Y., or. | 4,136,893 | 67,614,969 |
| Equit. Life N. Y., grp. | 10,679,756 | 44,272,471 |
| Equit. Life, D. C., or. | 2,310,528 | 8,954,943 |
| Equit. Life D. C., ind. | 8,364,330 | 19,293,330 |
| Equitable Life, Ia. | 342,673 | 2,953,091 |
| Eureka-Maryland, or. | 23,500 | 156,190 |
| Eureka-Maryland, grp. | 50,016 | 125,008 |
| Expressmens Mut. | 361,717 | 797,576 |
| Farm Bureau Life. | 21,060 | 330,515 |
| Farmers & Traders. | 2,000 | 12,000 |
| Fidelity Mut. Life. | 390,593 | 4,106,374 |
| Gen. American, ord. | 19,388 | 3,027,365 |
| Gen. American, grp. | 1,179,045 | 1,629,900 |
| Geo. Washington, or. | 564,160 | 6,064,025 |
| Geo. Washington, gp. | 705,000 | 700,000 |
| Great Northern | 8,477 | 78,779 |
| Guardian Life | 648,842 | 2,842,902 |
| Home Life | 656,682 | 19,322,574 |
| Jefferson Standard | 1,445,000 | 11,326,741 |
| John Hancock, ord. | 1,752,631 | 27,446,761 |
| John Hancock, grp. | 718,155 | 2,306,129 |
| John Hancock, ind. | 32,124 | 132,517 |
| Kansas City Life. | 406,000 | 3,280,812 |
| Ky. Central L. & A. | 2,649,964 | 3,346,894 |
| Life of Virginia, ord. | 429,036 | 1,114,976 |
| Life of Virginia, grp. | 62,500 | 94,000 |
| Life of Virginia, ind. | 2,011,052 | 2,960,820 |
| Lincoln Natl., ord. | 1,065,362 | 9,984,681 |
| Lincoln Natl., grp. | 861,500 | 2,248,505 |
| Loyal Protective | 11,500 | 12,200 |
| Maryland Life | 12,259 | 429,677 |
| Massachusetts Mut. | 1,330,075 | 14,582,240 |
| Massachusetts Pro. | 12,180 | 284,418 |
| Metropolitan L., ord. | 6,112,631 | 69,416,955 |
| Metropolitan L., grp. | 8,035,100 | 35,728,595 |
| Metropolitan L., ind. | 5,248,965 | 52,586,444 |
| Midland Mut. | 648,520 | 2,829,657 |
| Minnesota Mut., ord. | 304,326 | 1,118,330 |
| Monarch Life | 52,700 | 347,619 |
| Mutual Benefit Life. | 677,260 | 12,922,282 |
| Mutual Life | 1,901,858 | 34,202,488 |
| National L. & A., or. | 518,993 | 1,336,492 |
| National L. & A., gp. | 24,325 | 63,833 |
| National L. & A., ind. | 759,592 | 2,114,264 |
| National Life | 308,722 | 4,445,174 |
| New England Mut. | 1,387,783 | 10,445,319 |
| New York Life | 3,695,144 | 51,232,818 |
| North America Reas. | 166,600 | 900,300 |
| Northwestern Mut. | 2,231,903 | 42,662,613 |
| Northwest, Nat., ord. | 27,775 | 764,997 |
| Northwest, Nat., grp. | 139,000 | 136,000 |
| Ohio State Life, ord. | 362,140 | 3,431,085 |
| Ohio State Life, grp. | | 106,000 |
| Old Repub. Cred., or. | 2,415,025 | 2,874,830 |
| Old Repub. Cred., gp. | 668,432 | 668,389 |
| Pacific Mutual | 7,794 | 7,517,986 |
| Pan American Life | 31,013 | 135,874 |
| Paul Revere Life. | 1,349,729 | 21,528,769 |
| Penn Mutual | 777,897 | 2,396,526 |
| Peoples Life, ord. | 18,603,787 | 18,332,386 |
| Peoples Life, ind. | | 216,606 |
| Philadelphia Life | 65,500 | 1,354,280 |
| Phoenix Mutual | 299,718 | 2,525,712 |
| Pilot Life | 35,000 | 33,000 |
| Protective Life, ord. | 240,850 | 202,450 |
| Protective Life, grp. | 614,081 | 2,721,496 |
| Provident L. & A., or. | 3,841,150 | 18,869,850 |
| Provident L. & A., gp. | 632,408 | 6,708,423 |
| Provident Mutual | 4,941,442 | 42,950,527 |
| Prudential, ord. | 6,654,062 | 28,757,827 |
| Prudential, ind. | 3,868,083 | 36,886,589 |
| Reliance Life | 2,205,886 | 11,187,233 |
| Shenandoah, ord. | 1,787,730 | 7,034,098 |
| Shenandoah, grp. | 1,570,800 | 6,737,900 |
| Southeastern | 459,415 | 554,474 |
| Standard Life, Pa. | 9,732 | 102,377 |
| State Farm Life | 439,020 | 1,689,512 |
| State Life, ind. | 38,725 | 2,221,448 |
| Sun Life, Can., ord. | 1,391,344 | 10,974,192 |
| Sun Life, Can., grp. | 322,519 | 3,047,039 |
| Supreme Liberty, or. | 123,674 | 615,947 |
| Supreme Liberty, in. | 2,117,444 | 1,691,105 |
| Travelers, ord. | 767,636 | 15,279,840 |
| Travelers, grp. | 3,858,407 | 22,966,031 |
| Union Central | 417,322 | 4,639,270 |
| Union Mutual, Me. | 133,241 | 1,270,784 |
| United Benefit | 585,254 | 1,566,061 |
| Washington National | 14,079 | 81,570 |
| West. & South., ord. | 1,499,816 | 10,323,645 |
| West. & South., grp. | 43,922 | 114,424 |
| West. & South., ind. | 3,103,665 | 18,508,232 |

Selection Experts Hold Annual Parley

Institute of Home Office Underwriters Weighs Issues of Day

CHATTANOOGA, TENN.—The annual meeting of the Institute of Home Office Underwriters is being held this week with John L. Briggs, assistant secretary Southland Life, as president in charge. The general chairman of the convention presiding Thursday morning was W. E. Jones, vice-president of the institute, who is connected with the Provident Life & Accident. Dr. C. R. Henry, medical director of Provident Life & Accident, gave the welcome. At the first session W. K. Fritz, Lamar Life, reported for the membership committee, and W. H. Harrison, actuary Ohio National Life, for the educational committee. Associate Actuary W. O. Menge, Lincoln National Life, gave his paper on "Life Insurance and the War."

C. F. Varney of the American United Life acted as chairman of Thursday afternoon session when Alfred M. Best of New York City and Dr. D. B. Cragin, medical director Aetna Life, spoke.

Presidential Report

In his presidential report, J. L. Briggs, assistant secretary Southland Life, mentioned the work that the Institute of Home Office Underwriters has been doing toward better understanding on the part of the public as to what life insurance is and does. He pointed out that an article in the by-laws states that an aim "shall be the promotion of sound and uniform underwriting of life insurance risks by means of discussion, interchange of ideas and experience, presentation of papers and clinical case studies and by such other methods as are determined to be desirable." He said that in following this provision of the by-laws the association members have been better able to render life insurance service.

"Our efforts have been entirely directed toward a goal which would enable us to select risks on a basis which would offer insurance protection to an even larger number of individuals through more uniform service to our field representatives and at the same time protect our policyholders and the companies' financial position by selecting risks based upon good business judgment," he said.

The institute's membership is now 82 companies located in 30 states. This is a gain of 14 companies during the last year.

Home office attempts to underwrite business for persistency inevitably come back to the realization that persistency of business, in the main, is controlled by the writing agent, said G. M. Stanley, chief underwriter Guarantee Mutual Life of Omaha.

"In my company we have attempted to underwrite for persistency for a number of years but with rather indifferent success," he said. "We have tried many plans, most of which have been discarded. Of one thing we are convinced and that is that the prevention of poor business is better than the attempt to make good business out of bad business through careful home office underwriting. . . . To that end much of our present efforts are directed toward forcing the agent to the realization that after all the major part of underwriting for persistency is done by him. We require the agent to execute a chart, the purpose of which is to measure the quality of his business. It is our understanding that a chart of this nature is being used more or less generally.

"The factors developed in the chart are the applicant's occupation, income, amount of application, previous insurance record, whether cash or lump set-

Recognition Is Given to 30 Year Insurance Crusade

Charles H. Simpson, 60, general agent in Long Beach, Cal., for Minnesota Mutual Life, is



Charles H. Simpson

the subject of a booklet entitled "Thirty Years, A Crusade," issued by that company in appreciation of his 30 years with Minnesota Mutual. The booklet, illustrated with pictures of him at different ages, tells the story of his life, how he came to enter the busi-

ness. Included in it is the following tribute:

"Charlie Simpson chose life insurance as a profession because he realized it was a glowing opportunity to do much good in the world. He knew it was not easy for people to imagine themselves dead and, therefore, to imagine their own widows and children suffering from the lack of earning power of husbands and fathers. His was and still is the crusading spirit, bent on keeping homes together and kids out of orphan asylums. Anyone with imagination will realize all the suffering and hardship he has prevented, having his hand in the selling of \$10,000,000 of protection in his thirty years association with Minnesota Mutual."

tlement was obtained on the annual, semi-annual or quarterly basis and whether an income settlement option is desired. These factors, depending on their qualities, are credited or debited, the total indicating the quality rating of the case. Whether the agent eliminates a certain number of his prospects from his canvass because the quality is below what is acceptable we do not know but we are convinced that the use of the chart forces the agent to the realization that he must direct his efforts to a better grade of business which will produce renewals acceptable to the company if he expects to stay in the life insurance business."

Mr. Stanley said that his company also uses what it terms a policy delivery report, executed in triplicate with every policy delivered. This provides the agent, the general agent and the home office with information showing the actual settlement accepted by the agent on delivery of the policy. If actual settlement is not the same as indicated on the application the agent is required to explain why. If the actual settlement is less favorable to an extent which affects the underwriting, the selection department discusses the case with the agent. Mr. Stanley expressed confidence that the cumulative effect on the agent using these reports will be to focus his attention on quality.

In home office underwriting for persistency the main concern is with the applicant's ability to pay and the factors bearing on it. Applicants with permanent, continuous employment and sufficient income, with a record of meeting obligations with usual promptness, of favorable habits and morals, are viewed as business which should have a favorable renewal provided it was properly sold, said Mr. Stanley. Applicants lacking these traits will not meet life insurance premiums as satisfactorily but Mr. Stanley warned that there is a difference between the person who may experience difficulty in meeting his obligations but does manage to get them paid with some delay and the person who does not take his obligations as seriously and as a result does not enjoy a satisfactory credit standing in his community. Mode of payment is a factor, annual payment renewing best, semi-annual next and quarterly the worst.



AN IMPORTANT PERSON

The Provident Mutual agent is an important person, because in 75 years he has brought protection and security to more than 350,000 homes. For him, life insurance is more than a business; it is a social service. He is not only a salesman—he must be capable of the sound analysis, safe counsel, and dependable advice which are so essential to well-planned life insurance. In a word, he must not only be a representative of his company, but of the needs of his clients as well.

During three-quarters of a century, he has had an outstanding part in the distribution of:

132 millions of dollars to nearly 40,000 living men and women who owned endowment policies.

190 millions of dollars in death claims to 37,000 individuals.

182 millions of dollars to many thousands more in the form of cash values, annuities and other payments not including dividends.

He is looking after the needs of nearly 200,000 more families today who eventually will gather the harvest of their present planting.

Through times of adversity as well as prosperity, the Provident Mutual agent has helped to safeguard the future of his clients, has helped build a great Company, has helped keep the wheels of American industry turning, has earned a living for himself. The high esteem of the people he has protected is a tribute to his friendly service.

PROVIDENT MUTUAL

LIFE INSURANCE COMPANY OF PHILADELPHIA
Pennsylvania • Founded 1865

1865—75 YEARS OF PROVIDENT PROTECTION—1940

Bureau Reports on Retirement Plans

Analyzes Systems of 16 Companies; Convention Study Also Issued

HARTFORD—The Life Insurance Sales Research Bureau has released the results of a comprehensive survey of agents' retirement plans in a report entitled "Agents' Pensions." Much interest has been displayed both by field men and company officials in the problem of retirement plans and it is expected that this report will be particularly valuable to companies considering the introduction of definite retirement plans for their agents.

Much broader in scope than previous bureau studies on this subject, the new report describes and analyzes in detail 16 retirement plans currently in use. The concluding section of the report considers the essentials of a good pension plan and has been prepared especially for the use of companies considering the adoption of a retirement plan.

Covers Four Related Topics

"Agents' Pensions" covers four logically related considerations. First, the existence and the importance of the problem; second, the general difficulty of its solution. Third, as an approach to a better understanding of the problem and its possible solution, the existing plans are considered in detail, attempting to determine their practical effects when in use. Finally, on the basis of the background obtained in this manner, plus other logical considerations, the essentials of a good pension plan are discussed.

Also recently issued by the research bureau is a report on the subject of conventions. This study, drawn from the experience of 75 member companies and from experience of other organizations, makes no attempt to discuss the merits of agency conventions. Rather it discusses and summarizes some of the interesting developments in conventions in recent years and offers suggestions for running successful conventions and regional meetings.

Leaders in Production of New York Life in Its Top Club Record

The highest field honor of New York Life, the "Top Club" presidency, goes to H. J. Talman of Worcester, Mass., whose paid insurance in the club year was \$806,785. He has been with the company since 1926. I. S. Kibrick of Boston becomes chairman of the advisory board, having the highest production of all former club presidents, his figure being \$460,783. Irving Freed of the Mercantile branch in New York City, is a vice-president-at-large with \$660,500 production. W. H. Kelly of the San Francisco Clearing House had \$569,147 and is a vice-president-at-large. Another is H. A. McColl of Pueblo, Colo., with \$520,949. Still another vice-president-at-large is Ben Sekt of Sioux City, Ia., with \$520,225. The fifth is M. M. Bernstene of Chicago with \$455,340.

Division Vice-presidents

The vice-president of the central Pacific department is E. T. Golden with \$561,111. R. F. Walker of New Orleans heads the Gulf central department with \$452,217. H. E. Henry is joint vice-president of the Allegheny department, hailing from Morgantown, W. Va., with \$440,268. Don C. Kite is a partner with Mr. Henry and is joint president of the Allegheny department with \$440,268. R. H. Bell of the East St. Louis branch is vice-president of the southwestern department with \$424,291. Jack Manfield of the Bankers building branch in Chicago, vice-president of the central department, had \$407,690. John Bottomley

of West Roxbury, Mass., is vice-president of the New England department with \$375,458. H. P. Karlshuher of the Times Square branch in New York City is vice-president of the Greater New York department with \$373,750. G. J. Lucas of the South Dakota branch is vice-president of the midwest department with \$373,467.

Stephen Adams of the Denver branch had \$361,123 and is vice-president of the great plains department. K. G. Wildes of Juneau, Alaska, with \$346,791 heads the north Pacific department. R. A. McGowan of the Green Bay, Wis., branch is chairman of the northwestern department. He resides at Appleton. H. P. Trosper of Detroit, with \$340,109 is vice-president of the great middle department. T. W. Moore of the Los Angeles branch with \$338,750 heads the south Pacific department. J. E. Josephs of the Char-

lotte, N. C., branch heads the southern department with \$336,823. H. R. Hoppe of the Baltimore branch tops the Atlantic department. Samuel Levine of the Poughkeepsie, N. Y., branch had \$267,568 and heads the eastern department. C. G. Kinscherf of the 42nd street branch, New York City, is vice-president of the Greater New York department and had \$261,799.

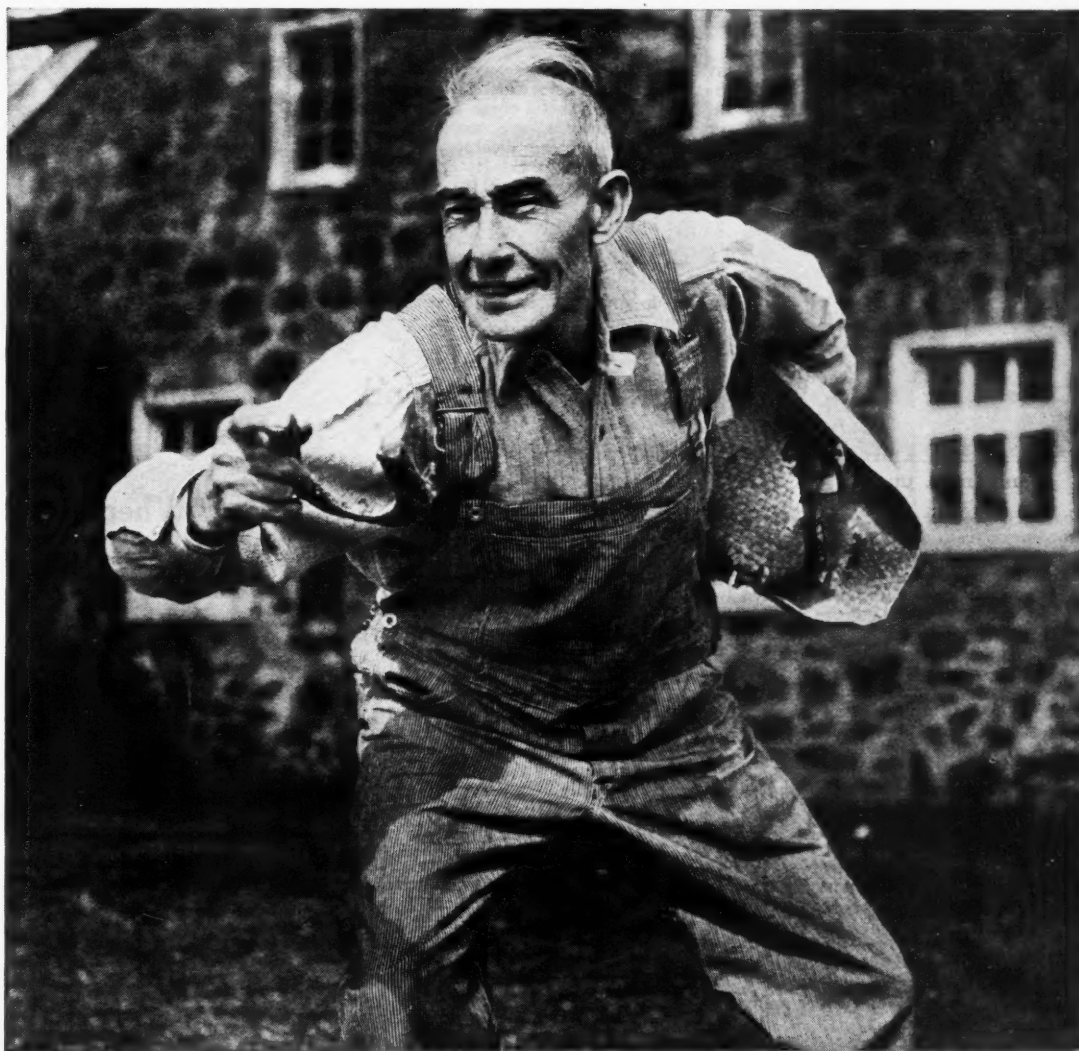
Committee on Compensation to Give Second Report

The committee on agents compensation of the Life Insurance Sales Research Bureau, headed by President Linton of the Provident Mutual, made its first public statement in April and is expected to make a further report at the annual meeting of the bureau in Chicago

the latter part of October. This is a most important committee. The April statement declared that the members of the committee were unanimous in agreeing on certain principles. One was that the cost of insurance should not be increased by any new plan of compensation. Another was that the problem of the veteran agent is distinctly different from that of the new agent. The committee has been exploring and studying different plans and suggestions.

The General American Life has launched a salary savings franchise drive in September to keynote the start of its fall production activities.

O. J. Scheer has been named superintendent of the St. Louis district by the Washington National.



PITCHING TO WIN

An expert at "barnyard golf" is a sure winner when he can skillfully time the pitch so that the shoe lands at the pin with the open end forward.

Another sure winner is the John Hancock Readjustment Income Plan because it skillfully times the income payments over

a family's period of greatest need. It does such an extremely important job at only moderate cost.

Our national advertising stresses the need and importance of providing money for a critical time and reaches millions of prospects every month.

John Hancock
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS
GUY W. COX, President

Dr. Cragin Presents Results of Tests

Aetna Life Medical Director Gives Address to Home Office Underwriters

CHATTANOOGA, TENN.—Dr. D. B. Cragin, medical director Aetna Life, spoke before the annual meeting of the Institute of Home Office Life Underwriters, saying that in the daily routine of underwriting, an alert underwriter may become conscious of a recurring



DR. D. B. CRAGIN

number of rejections on grounds which do not seem justified from a changing clinical viewpoint. Or he may note a series of disorders in which an accurate study of sequellae and terminations have not been carefully worked out. This may be because he is too tolerant and possibly from a feeling of apathy.

Must Examine Disease

Medicine, Dr. Cragin said, to produce health has to examine disease. One who keeps in constant touch with medical progress can, in many instances, pick up the answers to his underwriting questions. When any new attack is brought to bear on an old problem, the underwriter, he asserted, should be quick to analyze it from the insurance standpoint, and apply, wherever possible, the findings brought out by these recent studies, always keeping in the back of his head the fact that for insurance purposes, new remedies and new studies should be thoroughly tried out over a large series of cases before becoming insurance standards.

Dr. Cragin directed his study largely to diabetes mellitus, a disease of metabolism based on defect in the body's power to store and oxidize carbohydrates, due to a decrease in the internal secretion of the pancreas (insulin). He said it is marked by an abnormal amount of sugar in the blood and in the urine. The death rate is increasing, he said, showing figures from 1880 to 1935. The micro technique was adopted and sugar tolerance tests were applied some years ago.

Factors of Overweight

Dr. Cragin said that no method of diagnosis by the glucose tolerance test is perfect. A single estimation of fasting blood sugar is not valuable unless it is found to be increased. The speaker said that he is of the opinion that a person who has a consistent low fasting blood of below 70 is not a good insurance risk. There is a marked increase toward diabetes and overweight, he said. Overweight has long been known to be a factor in the disease. Reduction in weight is an important part of the

treatment, he said. Insuring age and overweight have a marked influence on mortality. He said that field selection is showing up and the applicant who knows he cannot pass the tolerance test goes to another company. The proportion of "not taken" tests is rapidly dropping as the Aetna Life procedure is more widely advertised. The total amount issued on this test, he said, is a total of well over \$60,000,000 in amount. Speaking further, he said:

"We have had 100 deaths in a group of 4,502 cases accepted. The causes of death being 45 percent cardiovascular renal, 12 percent cancer, 10 percent suicide, 6 percent accident, and 3 percent diabetes. These last three were in the early days of our underwriting and all had fasting blood of over 120 mgs. They never should have been taken in the first place. The remaining deaths were miscellaneous.

Satisfied With Procedure

"Taking it all around, we have been satisfied with the underwriting of this business and look forward to continuing it for some years to come unless very definite discoveries are made in the further study of the disease. We are perfectly aware that this test is not all to be desired and that we have frequent letters from our clinical friends telling us the injustices which we are doing to their patients, but so far we have been able to overcome all this opposition, and we simply mark on our charts that the declined applicant is declined simply because he is unable to meet the requirements of our test."

Appleby Sees Good Times Ahead

A note of optimism was sounded by President T. W. Appleby of Ohio National Life in concluding his address at White Sulphur Springs, W. Va., before the company's Builder's Club convention. "I think we are approaching the end of the most devastating period, economically and socially, in American history," Mr. Appleby declared. "There has been more suffering, more disillusionment, more financial loss than can as yet be calculated but I am one who believes that we are on our way to a new high in prosperity. If I am right, it will make our selling tasks easier. There will be a new demand for life insurance, not only because of its record in the long depression, but because of new needs. Death and inheritance taxes will be greater and we shall find a way to cover this field more fully. Also, the scarcity of intangible investments will induce men to invest more heavily in life insurance. But the most promising feature I see is fuller employment and larger personal incomes. When men have money they buy life insurance."

More than 30 members and guests were present at the meeting, which was devoted to the theme of "Better Business Through Better Selling." R. C. Lieber, Denver, president of the club, presided at the sessions.

Ray Hodges, Cincinnati, manager home office agency, was chairman of the session on "Factors That Contribute to Better Selling," which closed with a round table discussion. G. C. Hill, Sandusky, O., general agent, was chairman of the discussion on "Better Selling Through Better Planning." N. E. Glassbrook, manager central division, Lansing, Mich., closed the formal program with a discussion on "Better Planning Through Better Prospecting."

New officers of the club are H. R. Lindberger, York, Pa., president; J. R. Cole, San Jose Cal., G. E. White, Oklahoma City, and G. S. Severance, Chicago, vice-presidents; R. H. Moore, Lansing, Mich., secretary, and L. A. Wood Springfield, Mo., treasurer.

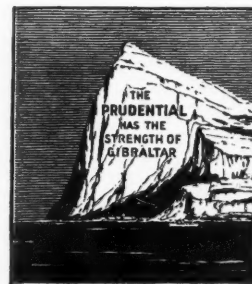
Every agent should read Carroll C. Day's "Little Red Wagons and Little Red Boots." Send \$1 for eight copies to National Underwriter.



Just Breezin' Along

The skipper said: "It was good fun, breezin' along on life's high seas, without a care. Then the storm came, as storms inevitably do. I realized that I was unprepared. What would my wife and children do if I did not weather this gale?"

"When the clouds disappeared, I took the precautions I should have taken years ago. I called in a friendly life insurance agent. He helped me clear away fears of any other of life's storms."



The Prudential
Insurance Company of America
Home Office, NEWARK, N. J.

Make Issue of Nebraska Case

29 Companies Join in Asking for Rehearing of Aviation Clause Decision

LINCOLN, NEB. — Rehearing has been asked by 29 leading life companies of the case in which the Nebraska supreme court recently held that the incontestability statute forbids the raising of any defense, after two years, on any other ground than non-payment of premiums or violation of war risk clauses. The original action was brought by the Republic National Life of Dallas to force approval by the Nebraska department of a rider limiting liability where death resulted from riding in or piloting an airplane.

One group of 28 companies, represented by Crofoot, Fraser, Connolly & Stryker of Omaha, urged that the motion for rehearing filed by the Republic National be granted. Another filed by the Massachusetts Mutual Life raises the point that the opinion is decisive of a pending case against it without its having been given an opportunity to be heard.

List of Intervenor

The 28 companies listed as intervenors are: Aetna, American United, Bankers of Iowa, Central of Iowa, Connecticut General, Connecticut Mutual, Equitable Society, Equitable of Iowa, Fidelity Mutual, Franklin, Guardian, John Hancock, Lincoln National, Metropolitan, Mutual Benefit, Mutual of New York, National Life & Accident, National of Vermont, New England Mutual, New York Life, Ohio National, Penn Mutual, Phoenix Mutual, Provident Mutual, Prudential, State Mutual, Sun and Travelers.

They urge a rehearing on the ground, primarily, that the court has announced an abstract proposition of law seriously affecting the business on a limited state of facts without reference to actualities. The attorneys also argue that the incontestable statute is not capable of the interpretation placed on it by the court. While it is true that statutes restricting the use of forfeiture and rescission clauses are a necessary regulation, an entirely different situation arises when an attempt is made to limit the insurer's right to exclude specific risks from the coverage of its policies. It is the function of the legislature and not of the courts both to determine when there is a need for protection of the public interest and to devise and prescribe the remedy.

Close Door on Freedom of Contract

The issue, they contend, is not one of opening the door to exceptions, as assumed by the defendants, but a question of how far the legislature has gone in closing the door on an insurer's freedom of contract. Everything concerned in the right to contract is unrestricted until the legislature applies a specific and valid restriction.

The court having based its decision on the public welfare, the attorneys point out that the soundness of a state policy which would bar exclusions from insurance coverage should take into consideration four things: First, whether all policyholders should have to bear the unavoidable increase in rates resulting from enforced assumption of risks which only a limited number might ever incur; second, whether this would not make insurance unavailable to many who need it most; third, the effect on companies dealing chiefly in special rates, and fourth, the creation of an opportunity of mail order writing by outside companies so as to avoid such Nebraska coverage restrictions.

The interest of the companies, it is said, generally arises not so much as to the prohibited future use of aviation exclusion as to the retroactive effect of a

flat declaration that such exclusions are invalid, the department having revoked all previous approvals. The companies prefer to have the question settled in a case in which they feel all the necessary facts are before the court.

Comment of W. O. Menge

Uncommon interest attaches to this Nebraska situation because it presents a fundamental problem in designing war risk exclusion clauses. W. O. Menge, associate actuary of Lincoln National Life, discussed the problem in a paper given this week before the meeting of the Institute of Home Office Underwriters in Chattanooga. He referred to the distinction between a policy condition and an excluded risk. In the case of incontestable statutes, he said, the exceptions for military and naval service in the statutes of most states are referred to as conditions. That the incontestable clause relates to the validity of the policy and not to coverage has been stated by courts on numerous occasions. Mr. Menge stated that the exceptions in the incontestable statutes limit only the company's right to provide conditions under which the policy shall be void and do not stipulate the extent of the risk to be covered. If the exceptions in the statute apply to conditions pertaining to the validity of the policy, as distin-

guished from the exclusions from risk, then, he said, a company may legally exclude any risk which it does not care to assume provided the approval of the insurance department is obtained.

Mr. Menge observed that there are isolated legal cases that do not recognize this distinction. He quoted the Nebraska supreme court:

"The provisions of an incontestable clause—providing that a policy of life insurance shall be incontestable after two years, except for non-payment of premiums and violation of conditions relating to naval and military services in time of war, are exclusive and, after satisfactory proof of death, for all other defenses where the contestable period has expired."

Non-Payment of Premium

He remarked, incidentally, that it is difficult to see why the non-payment of premiums should make the policy contestable, particularly in view of the fact that the policy generally has specific provisions for non-forfeiture options in event of lapse.

Mr. Menge asks what conclusions may be drawn from this conflict of views as to whether the enumeration of exceptions in an incontestable clause precludes a limitation from coverage which is not specifically mentioned in the

statute. He stated that of the 50 jurisdictions, including the District of Columbia and Hawaii, 27 have not passed upon the question; of the 23 which have decisions on the subject, 15 support the view that the incontestable clause is not a definition or mandate of coverage, while eight are to the contrary. Since the incontestable statutes written into the insurance laws make specific reference to military and naval service in time of war, the provisions of a war exclusion rider relating to such services rest upon a firmer foundation than those which relate to civilian hazards such as foreign residence or travel.

Group Men Hold Conference

Group department representatives of Connecticut General Life will hold a conference Sept. 9-11 in the Westchester Country Club, Rye, N. Y. A number of home office men will attend, including C. Manton Eddy, secretary group department, who will preside, and Blake B. Harrison, manager of group sales. District managers and special representatives of the group department from all parts of the country will attend.

Give your agents a new viewpoint. Distribute Carroll C. Day's "Little Red Wagons and Little Red Boots." Send \$1 for eight copies to National Underwriter.



Once Again
School bells
are ringing.

As roll is called from kindergarten to college many a boy and girl will have the opportunity to answer "present" because a B. M. A. salesman was present to help Dad plan his children's future — and wisely advised him to assure their education with a B. M. A. Guaranteed Scholarship Plan.



Business Men's Assurance Company

W. T. GRANT
President

KANSAS CITY, MISSOURI

J. C. HIGDON
Vice-Pres. in Charge of Sales

Life Office Management Program Now Announced

Among the prominent speakers who will address the annual meeting of the Life Office Management Association at the Fort Des Moines Hotel, Sept. 25-27 in Des Moines will be Third Vice-president E. O. Dunlap, Metropolitan Life; Clifford Gregory, associate publisher "Wallace Publications," Des Moines; Vice-president Edmund Fitzgerald, Northwestern Mutual Life; Comptroller L. R. Menagh, Jr., Prudential; Vice-president and Actuary E. M. McConney, Bankers of Des Moines; H. W. Foskett, assistant vice-president Equitable Life of Iowa.

Research Reports

Five standing committees have during the last year been engaged in preparing research reports on a number of subjects which will be presented at the meeting. Among them is the third report of the clerical salary study committee which will present a new L.O.M.A. job evaluation plan. The costs committee will offer a technique for obtaining departmental costs for life companies. Other committees which will present the results of their year's research are the accounting manual committee, tests committee and office planning and equipment committee. Another feature of the meeting will be the exhibit of newer developments in the field of office machinery and equipment applicable to life office operations.

D. N. Warters, associate actuary of the Bankers Life of Des Moines, is general chairman of the conference, and W. P. Barber, secretary Connecticut Mutual Life is president.

Mrs. W. F. Poorman, wife of the vice-president and actuary of the Central Life of Iowa, is chairman of women's entertainment. A. A. Rydgren, president Continental American Life, is chairman of the nominating committee. H. W. Foskett, assistant vice-president Equitable Life of Iowa, is chairman of the committee on arrangements.

Program is Given

The program is as follows:

Wednesday, Sept. 25—Morning Session
Session Chairman, W. P. Barber, Jr., president L. O. M. A., and secretary, Connecticut Mutual Life.

Presidential address—"Indicated Trends in Life Office Management," Mr. Barber.
"Recent Trends in Home Office Employee Pension Plans," H. E. Blagden, assistant actuary Prudential.

Discussion—R. G. Staggs, associate actuary Lincoln National.

Clerical Salary Study Committee—Presentation of Report, G. A. Hardwick, vice-president and comptroller Penn Mutual Life, chairman.

Discussion—R. D. Gray, associate professor California Institute of Technology, and special research assistant, L. O. M. A.

Wednesday Afternoon

Chairman, W. F. Poorman, vice-president and actuary Central Life of Iowa.

"Midwest Agricultural Economy and Its Effect on Business in General and Life Insurance in Particular," Clifford Gregory, associate publisher Wallace Publications, Des Moines.

"Internal Auditing of Life Office Transactions," E. O. Dunlap, third vice-president Metropolitan Life.

Discussion—George Altken, chief accountant Great-West Life.

"The Value of Staff Education in Life Office Activities," Edmund Fitzgerald, vice-president Northwestern Mutual.

Discussion—L. K. Crippen, vice-president and actuary Acacia Mutual.

Motion picture illustrating unique office machine operations—presented by T. F. Meagher, assistant secretary New England Mutual Life.

Evening Program

6:45—Reception.
7:30—Association Banquet.

Thursday, Sept. 26—Morning Session

Chairman, S. E. Barry, comptroller Northwestern Mutual Life.

Business Session and Presentation of L. O. M. A. Fellowship Awards.

"Hospitalization Insurance—Recent Trends"—Application to home and field office staff; organization and office routines for underwriting this type of insurance, Louis R. Menagh, Jr., comptroller Prudential.

"Our Experience with Extension Agreements and Why We Have Discontinued Using Them," R. C. Kneil, assistant vice-president Reliance Life.

"Trends in New Home Office Buildings"—Describing the design, construction and furnishings of the new Bankers Life building, E. M. McConney, vice-president and actuary Bankers Life of Iowa.

Afternoon Session

1:30—Visitation to the new Bankers Life building. The group will assemble in the auditorium and be welcomed by G. S. Nollen, president.

Friday Morning Session, Sept. 27

Chairman, Ross E. Moyer, vice-president and actuary Continental Assurance. "Public Relations Aspect of Home and Field Office Letters," Miss Aline Hower, letter-writing consultant St. Louis.

Office Planning and Equipment Committee Reports. Remarks by chairman of committee, and presentation of report—"The Operating Cost Factor in Microfilm Installations" prepared by O. D. Seely, Metropolitan Life, G. A. Drieu, assistant secretary Connecticut General.

Presentation of "Check-writing Methods and Controls" Report," R. N. Hayes, assistant secretary State Mutual.

Presentation of "Forms Standardization and Control" Report," R. A. Mangini, supervisor John Hancock Mutual.

Departmental and Functional Costs Committee—Presentation of Report, M. H. Le Vita, statistician Fidelity Mutual.

Manual of Accounts Committee—Presentation of Report, W. D. Holt, assistant secretary Provident Mutual.

Tests Committee—Presentation of Report, Miss Marion A. Bills, assistant secretary Aetna Life.

Friday, Sept. 27, Afternoon Session

Chairman, H. W. Foskett, assistant vice-president Equitable Life of Iowa.

"Accounting for Agents' Commissions," L. J. Massee, planning department Massachusetts Mutual.

"What Are Others Doing?"—Panel personnel: R. W. Beeson, secretary Liberty National Life. A. J. D. Morgan, assistant general manager Great-West Life. Ross E. Moyer, vice-president and actuary Continental Assurance. G. W. Skilton, comptroller Connecticut General. H. W. Foskett, assistant vice-president Equitable Life, chairman.

(a) Change in home office practices occasioned by war conditions. (b) Payments on insurance contracts to nationals of belligerent and conquered countries. (c) Procedure in connection with state use taxes and local occupational and income taxes. (d) Routine for monthly billing of amortized mortgage loans—company experiences. (e) Application of automatic premium loan provision re premiums tendered few days after expiration of grace period. (f) Premium deposit and advance premium policy.

Motion picture—"Social Security," Massachusetts Mutual and social security board film.

Robert N. Waddell agency Connecticut Mutual Life, Pittsburgh, has shown an increase in business in every month this year to the end of July compared with the same month last year. July business trebled that a year ago.

LIFE INSURANCE SALES SUPERVISOR

Growing Chicago Agency of an old Eastern Company seeks a supervisor to assist in recruiting, training and working with men in the field. Applicant should be up-to-date in modern selling and organization methods, and have a record of substantial production. Opportunity for General Agency work. Prefer man 27 to 38. Salary plus basis. Address: M-5, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

Man 38 years old with 8 years' experience as adjuster of death and disability claims seeks new connection. Good record and references. Address M-12, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

Low Interest Makes Risk Scrutiny Vital

A. M. Best Addresses Institute of Home Office Underwriters

CHATTANOOGA—Never has it been more important than now for life company managements to concentrate on careful medical selection and the strictest economy, Alfred M. Best, New York insurance publisher, told the Institute of Home Office Underwriters at its annual meeting here. Tracing the operating results of a group of 20 representative newer companies, Mr. Best said that large gains from excess interest are a thing of the past and there is no reason to assume that the interest rate will show any substantial increase in the immediate future.

"I base this belief first upon the fact that the effect of the artificial depreciation of the interest rate through unsound economic experimentation will probably be with us for a considerable period and secondly, the vast amount of idle capital which will be seeking investment just as soon as its owners can feel any sense of security in venturing in business," he said. "When business confidence is restored the amount of capital seeking investment will probably create a borrower's and not a lender's market. So the problem is to concentrate on those factors which are within the control of management, namely, sound underwriting and strict economy."

To show how the picture has changed

during the 15 years following 1923 Mr. Best cited the 20 companies' aggregate results. Mortality savings per \$1,000 in force were \$4.87 at the end of 1923 and \$5.03 at the end of 1938. Against this 16-cent gain in mortality savings excess interest earnings per \$1,000 of insurance in force dropped from \$2.80 at the end of 1923 to \$1.50 at the end of 1938. During the 15-year period the loading loss per \$1,000 insurance in force dropped from \$3.60 to \$2.76, a reduction which Mr. Best termed very creditable, but he pointed out that total earnings per \$1,000, reduced from \$4.41 in 1923 to \$3.22 in 1938, have been very substantially cut despite the saving in expenses and the slight increase in the importance of the mortality savings.

Mr. Best also gave the actual dollars involved but called attention to the fact that the insurance in force for the 20 companies doubled during the 15 years. Following are the mortality savings and excess interest:

| | Mortality Savings | Excess Interest |
|------|-------------------|-----------------|
| 1923 | \$ 7,253,394 | \$4,167,457 |
| 1928 | 11,478,450 | 5,930,352 |
| 1933 | 11,292,464 | 4,482,342 |
| 1938 | 14,691,031 | 4,382,988 |

Mr. Best pointed out that the mortality savings in 1933 were slightly less than in 1928, probably because of heavy lapsation at the bottom of the depression and the falling off in new business written. He gave the following as the losses from loading and total stated earnings:

| | Loss on Loading | Total Stated Earnings |
|------|-----------------|-----------------------|
| 1923 | \$5,356,612 | \$ 6,574,944 |
| 1928 | 7,340,368 | 10,734,153 |
| 1933 | 6,169,465 | 7,454,951 |
| 1938 | 8,054,582 | 9,421,324 |

Reducing the figures to percentages

(CONTINUED ON PAGE 27)

★ **COME** ★
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All-Star Annual Meeting of the

LIFE ADVERTISERS ASSOCIATION

*A working Conference
Devoted to the Theme...*

**DOLLARS AND SENSE IN
LIFE INSURANCE ADVERTISING**

*ADVERTISING, good-will building, and
public relations were never more important
subjects in the Life Insurance business
than now. If you are interested in these
subjects, you are invited to come and join
us in this study.*

LIFE ADVERTISERS ASSOCIATION
• ANNUAL MEETING •
WASHINGTON, D. C. • OCTOBER 14, 15, 16
HOTEL WASHINGTON

A new Portfolio for organizing your selling

The Estate-O-Graph plan of selling—developed from the methods followed and working conditions encountered by thousands of successful life insurance producers. Designed to keep you constantly supplied with real prospects, to build prestige for you among these prospects, to continue your contact with them until they become your policy owners and clients—and, finally, to create from them further sources of new prospects for future sales.



HERE is a brand new portfolio of THE ESTATE-O-GRAPH—and a brand new plan for organizing and selling your own, individual market for life insurance.

Some may still cling to the idea that all it takes to sell life insurance is to make cold calls and tell your story. Just that alone will work for awhile for a good many men—or work forever for a few—the very few—who have a particular genius or knack that enables them to take the beating that goes with such selling methods.

But the vast majority of conscientious and humanly sensitive men finally lose too much pride, confidence and ambition selling the hard

add new names, and drop unprofitable ones. How to keep the list full of people whom you can and will sell.

3—How to make people say, "He's my life insurance man."

4—How to separate prospects for direct sales of life insurance from "prospect sources" and how to keep in contact with both.

5—How to use THE ESTATE-O-GRAPH as a visual selling piece before, during and after interviews; how THE ESTATE-O-GRAPH gives you new selling material each month for your visual sales kit.

These are a few of the things contained in this new Portfolio, THE ESTATE-O-GRAPH.

Twelve Sample Issues

Samples of the 12 latest issues of THE ESTATE-O-GRAPH itself are also included in this Portfolio. These carry titles and personalized back page messages and show you exactly what THE ESTATE-O-GRAPH is. They can be valuable to you as visual selling pieces, envelope enclosures or illustrations of life insurance ideas in letters, proposal forms or display material.

\$1.00 Value Guaranteed

You don't have to subscribe to THE ESTATE-O-GRAPH to get a real dollar's worth of value from this Portfolio. It contains the best ideas we have uncovered in 14 years of publishing pictorial services—the best working methods of thousands of successful life underwriters. It will help you organize your own selling methods, and give you a clearer picture of your whole production problem.

Applies On Subscription

If you later order THE ESTATE-O-GRAPH, we'll credit your subscription with this dollar you have paid and the Portfolio will have cost you nothing.

One underwriter wrote us: "I can't afford to pass up any opportunities to get worthwhile selling ideas for \$1.00." Can you?

For General Agents and Home Offices

Portfolios for General Agents and Home Office men contain a special booklet on The Estate-O-Graph as it relates to their problems.

Where to go, whom to call on—isn't that what your men are always wanting to know? Isn't prospecting 90% of the job of selling life insurance?

The Estate-O-Graph can make prospects. The list to which it is sent is a prospect list—of names educated in the uses and values of life insurance, and on your underwriters as the ones to handle it.

way. They become failures if they stick, or failures if they don't quit soon enough—by failing to see the whole production picture of their job.

How This Portfolio Can Help

Here are 5 things this Portfolio can do for you. It explains:

1—Exactly how you can use THE ESTATE-O-GRAPH to build a market for your services as a life underwriter.

2—How to build a mailing list of people you want to keep in contact with. How to

THIS PORTFOLIO CONTAINS:

1. Four Complete Booklets on THE ESTATE-O-GRAPH:

What to Expect.....16 pages
How to Use.....24 pages
Making It Your Own Publication24 pages
How to Order..... 8 pages

2. Samples of the 12 Latest Issues of THE ESTATE-O-GRAPH:

Programming, Retirement Income, For Women, General Issues.

3. Carrying Case for Booklets and ESTATE-O-GRAPH copies:

Holds all 12 issues. Booklets held in place permanently with mechanical binding.

Pictorial Division, Rough Notes Co.,
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Here's one dollar (cash or check). Send me your new portfolio, "THE ESTATE-O-GRAPH," outlining a new plan of selling.

If not entirely satisfied, I can return the Portfolio within 2 weeks and get all my money back. If, on the other hand, I later subscribe to THE ESTATE-O-GRAPH, this dollar will be credited on my order.

Name
Title
Company
Address
City State

Many Practical Sales Pointers Presented

(CONTINUED FROM PAGE 2)

with which he advised the reading of great books such as "Autobiography of Benjamin Franklin"; a financial philosophy which fits in with the financial philosophy which one is attempting to sell his prospects; and lastly, the fighting quality.

Mr. Orr said that by financial philosophy he meant his belief that no man except the extremely wealthy should invest in anything but life insurance and a home. He told how when he first went into the business he assigned all his renewals to a trust company, which pays his life insurance premiums so that now he has \$100,000 of life insurance, all dividends accumulated and some premiums prepaid to 1950.

Final Result the Only Measure

In connection with the all-important fighting quality, Mr. Orr quoted another blotter maxim: "The world is not particularly interested in hearing about the storms you encountered. The question is did you reach port?" Every generation produces its peculiar difficulties but every generation produces its leaders, he pointed out, adding, "when the book that is your life is written, there are no footnotes to explain that it was a difficult period that you lived in."

At one point, explaining that he had to condense his talk, Mr. Orr said, "That his talk is like a woman's girdle—there is a lot jammed in a small space."

In discussing personal efficiency, Mr. Orr listed three factors: physical condition, domestic felicity and how one's business is organized. On the latter score he recalled how C. Preston Dawson, general agent New England Mutual, New York, had made a fine address at the Orr Agency. Every one was talking about how much he had got out of Mr. Dawson's speech, but a week later, said Mr. Orr, "We realized that we had not captured anything, so we started a loose-leaf book which is nicknamed 'Cliff Orr's Bible' and we have been incorporating thoughts that we want to make part of our personal operations."

Agents Not Lazy

Sympathizing with the difficult problem of the agent, Mr. Orr pointed out that the head of the home office underwriting or investment department has his work cut out for him when he arrives at his office in the morning, but that "when the life agent goes to work there is nothing on his desk but dust." "It is because most of us lack the initiative to organize a program of work which will keep ourselves busy and we fail," he said. He denied that it was due to laziness in any degree. Another important point, said Mr. Orr, is that the agent must be financially sound and work on a budget.

Stressing the importance of knowledge and training, Mr. Orr warned that these must not be ends in themselves because the only real end is action. He suggested the C.L.U. designation as the ultimate aim. He urged attendance at agency meeting and life underwriters association meetings.

Action Is Stimulus Value

Action, said Mr. Orr, is the agent's stimulus value on the buyer. Selling technique, he said, is prospecting, obtaining the interview, getting confidence and being able once the facts have been obtained, to diagnose them correctly. He recommended a book by Arthur Edward Phillips, "Effective Speaking," as being valuable not so much for training in public speaking as for development of a central idea. He said that this book is the basis of all recent popular books on public speaking.

Irvin Bendiner, counsel Pennsylvania State Life Underwriters Association and an authority on taxes and business insurance, urged a simple, straightforward approach to life insurance for estate tax purposes instead of trying to work up

elaborate methods of avoiding taxation, since these even though unquestionably legitimate at the time may be declared void through change in the law or by a court or board of tax appeals decision. The thing to do, he said, is to sell the prospect who needs it enough insurance to pay his estate tax and then enough more insurance to pay the estate tax on the insurance, making the whole thing payable to the estate.

Everyone who can afford should buy at least \$40,000 of life insurance which is the amount exempt from the federal estate tax for although Congress may lower the exemption, as it has in the past, it is usually a sound principle, he said, that congress will never take away a type of property that members of congress hold in large amounts, and there are many members of congress who have at least \$40,000 of life insurance.

Mr. Bendiner said that he looks for a tightening of estate tax laws and lowering of exemptions. As for the federal tax law, he said the time may come when there will be legislation similar to

the proposed Lonergan amendment of a few years ago which would make life insurance earmarked for estate tax purposes free from estate tax.

Urging his hearers to pay no attention to circuitous methods of avoiding taxes for clients, Mr. Bendiner said that if agents keep this sort of thing up long enough it will result in still further restrictions and adverse decisions, with consequent kickbacks from clients. He said that while gifts to trustees were formerly exempt from estate tax, the devices which were worked out to avoid this tax caused the government to plug the loophole and close a channel which was of considerable legitimate use. He warned that by constantly seeking ways to get around the tax laws, agents may be leading to the point where they are hurting something that is a big help to them.

Mr. Bendiner, who in addition to being a lawyer is one of the New York Life's leading producers said that he had yet to find a lawyer who had upset a case which was properly sold before being taken to the lawyer, although he admitted that the lawyer furnished a convenient alibi for cases that did not materialize.

"Few business cases have bogged down because the technicalities were in-

soluble but many have bogged down because of failure to present them in the right way," he observed.

In addition to selling insurance to replace the value of a business to a man when he dies and the value of a man to his business, Mr. Bendiner said there is a type of business insurance unrelated to either the man or his longevity, and that is in the nature of leasehold insurance, such as a 20-year endowment, to offset the increased cost of doing business later on. For example, an enterprising man leases a site for a drugstore at a low rate. He builds up a reputation and does well, but when he comes to renew the lease he finds that he has to pay a higher rate just because he has done well.

Building Prospects' Confidence

J. J. Kellam told of a business insurance case in which the prospect's wife owned the stock in the business. The wife's death would have meant difficulties in getting money to pay the necessary taxes. While the case involved making the proper diagnosis when the facts had all been brought out, Mr. Kellam emphasized the length of time necessary to build up the confidence of the prospects to a point where they were willing to give him the necessary infor-

I'll bet our Mother and Dad are the best Mother and Dad in the whole world!

THEIR EDUCATION PROVIDED FOR

There was a time when fathers debated sending their children to University or letting them start work right after High School. Today, however, it is known that employers definitely give preference to those with specialized training and are looking to them for their future executives. Great-West Life representatives feel it is their duty, therefore, to tell the story of Educational Insurance,—to acquaint parents with the many educational trust agreements available which will assure funds for the education of their sons and daughters even if anything should happen to them.

THE GREAT-WEST LIFE ASSURANCE COMPANY

HEAD OFFICE - WINNIPEG, CANADA

Business in Force \$625,556,093

mation to enable him to make an intelligent diagnosis. He described the various steps by which confidence was built up.

You may be selling the same old packages, but new different and attractive wrappings make the packages a lot easier to sell, said C. G. Raymond, Tacoma, Wash. Talking to a travel agent, Mr. Raymond noticed an advertisement for a 25-cent travel accident policy. He asked the agent why he didn't buy a 25-cent-a-day policy for his journey through life. Another time in talking to a proprietor of a soda shop he asked her why she doesn't buy some profit insurance.

Mr. Raymond sprinkled his talk with quips that kept the audience laughing. He recalled telling one prospect that "when you buy life insurance you're just like a fat girl at a skating rink—you've always got a lot to fall back on."

The life agent, Mr. Raymond said, must have integrity, which is something more than honesty and sincerity, for what the agent is doing today may not bear fruit during his lifetime. The agent, he said, must learn to think with the prospect.

"What would you think if somebody said to you, 'give me \$100, I'll give you a policy?'" he asked.

Describing his "trust fund" approach for selling a readjustment plan of insurance, L. A. McKinnon, Flint, Mich., gave the following sales talk:

"Mr. Jones, in this trust fund our company has combined all these important factors: security of principal, ease of acquisition, transfer without loss and administration without expense.

"This trust fund is designed to do a double duty and is divided into two distinct parts. This part of your trust fund is set up for your family and this other part is set aside for yourself.

"Let us first discuss the part of the trust fund set up for your family. Under this plan if you step out of the picture by death Mrs. Jones will receive \$1,500 in cash to take care of all necessary expenses, doctors, funeral, outstanding bills, etc. After these bills are taken care of she will still need an income for food, shelter and clothing. Therefore, your trust fund will start to pay her \$100 a month for 12 months. The next 12 months she will receive \$75 a month and the 12 months she will receive \$50 a month.

No Loss or Expense

"Think of it, Mr. Jones, this trust fund is being transferred without loss and administered without expense. Isn't that a wonderful way to have your property handled? Now this part of the trust fund is for yourself. It guarantees you an emergency reserve while you go through life and then a definite amount of cash when you wish to retire.

"Just think, Mr. Jones, when you attain age 65 if you have left all your dividends with the company to accumulate according to our 1940 basis you will have a total cash of \$4,107.64 and all you have deposited is \$3,294.90. This will give you a profit of \$812.74 and from the time you start this trust fund your family will have the protection of the guaranteed income and for a saving of less than \$2 a week. Isn't that a wonderful plan?

"Now, Mr. Jones, under this plan we can arrange to have this passed directly to your children if Mrs. Jones is not living, without loss expense or delay of any kind. You would want this arrangement made in your contract, wouldn't you?"

Speaking on "Finding Your Market," C. A. Kuttler, Cedar Rapids, who won the 1938 persistency award, distinguished between extensive cultivation of prospects and intensive cultivation. Extensive cultivation he defined as finding new clients, and intensive cultivation as developing new reasons for existing clients to buy more insurance.

"You must continue to find new plans without neglecting the old," he said. "In finding new plans don't hunt for them in out-of-the-way places. They are right under your nose, the people who are the

Closing Speaker



D. BOBB SLATTERY

D. Bobb Slattery, assistant to Vice-president E. D. Field, was chairman of the arrangements committee at the 90th anniversary convention of the National Life of Vermont. In the absence of Mr. Field he made the closing address of the convention.

closest to you and your centers of influence. After you have gotten a client, keep confronting him with new ideas about his life insurance at opportune times. Perhaps if you do these things reasonably well, you will find your market."

Gives Eight Closes

J. C. Winter, Columbus, after giving in detail seven proposed closes, said that on the eighth and final try, "we must change our tactics, so we assume an attitude that it is too bad that he can't buy. However, there is one last hope for him and, of course, we want him to know about it."

Mr. Winter advised saying at this point, "Mr. Prospect, most men have the desire and ambition to own their own homes. They cannot realize this ambition in their younger years. It requires time to save the capital necessary for the purchase. Consequently, men rent their homes until they can make a down payment. Their families must have shelter. So it is with life insurance. That is the reason why we have a plan whereby you can rent your insurance with full protection until the time comes when you can purchase it on the installment plan, just like a home. This plan costs less than 1 percent a year. You can afford this, Mr. Prospect, I am sure, can't you?"

If this fails, Mr. Winter suggested resorting to having the prospect set a definite call back date, getting him to give names of people who would be interested in the plan, or arranging some method for saving money for the first premium, perhaps even a small-change bank. The agent should write a letter to the prospect thanking him for the courtesy extended in the first interview and reminding him of the date set by him for going ahead with the plan.

Sticks to Essentials

Discussing simplified programming, Norman Smyth, Hartford, said that the basic essentials of a program are clean-up, readjustment, family income, income to wife for life, and retirement.

"All others are luxuries, such as mortgage, educational, tax and charity insurance," he said. "Mr. Average Policyholder, with whom you do the bulk of your business, cannot afford these luxuries so why use them? Pound the five points of the basic program. Sooner or later as your client grows in economic stature the luxuries must be added in

order to procure additional business."

Mr. Smyth described the application of simple graphs to programming.

An unusual feature of the convention was the seminar exclusively for wives. Participants discussed frankly the methods by which they aid their husbands' business success.

Mrs. E. M. West, Cleveland, pointed out that wives are career women, their husbands' business partners and their office hours are those afternoons spent at the bridge table, club meetings and other social functions which afford opportunities to make better friends of people they meet casually.

"Our part in contributing to prospecting, of course, should not be obvious," Mrs. West observed.

"As women we should be able to make it natural and subtle and make mental notes of such items as we wish to take home and discuss with our husbands." Intelligent reading of newspapers will turn up many useful items, Mrs. West said.

Handling the problem of getting in to

see the prospect, R. S. Spurr, Buffalo, said that "getting in to meet new friends can prove to be a great deal of fun if we go about it with the thought that we are there not to put on the pressure but to take off the pressure by helping this man to so manage his money that he will live a happier and fuller life."

"The first step in making friends is to get the man to talk, and especially about himself," he said. "Next we must sell prestige and gain the confidence of our new-found friend before selling an insurance policy. Feeling this way about meeting people makes it comparatively easy to keep going."

Cultivates Older Prospects

For the younger agent the problem of cultivating older and more prosperous prospects is a real problem, said J. B. Heidel, Cedar Rapids. An excellent way to meet older people is through organizations, he said.

"My wife and I enjoy people our own age but both of us seem to be able to



The End of the Life Insurance Program

Planned life insurance takes your client and you along with him to the destination that beckons you.

With a reasonable objective in mind and a life insurance program budgeted to correspond to resources your clients can travel through the ups and downs of life with confidence that they and their dependents will eventually arrive safely.

Connecticut General representatives, with every facility for becoming experts in planning life insurance programs, find themselves engaged in a rewarding employment with many friends to speed them on their way.

Connecticut General Life Insurance Company

Hartford, Conn.



THE timely inspiring illustration and message on the opposite page, lithographed *in full color*, is the subject of the 1941 calendar of the New York Life Insurance Company. The calendars are being made available to New York Life agents, who have a choice of *three* different sizes.

NEW YORK LIFE

INSURANCE



COMPANY

A Mutual Company Founded on April 12, 1845 • 51 Madison Avenue, New York, N. Y.

Safety is always the first consideration . . . Nothing else is so important



NEW YORK LIFE INSURANCE COMPANY'S REPRODUCTION OF A PAINTING BY N. C. WYETH. LITHOGRAPHED BY KETTERLINUS.

FORWARD, AMERICA!

*May our hearts ever draw inspiration from George Washington's courage,
his integrity and his abiding faith in our destiny as a free nation*

hold our own with other people," he said. "We were asked to join a dancing club in which we are just about the youngest couple. The others range on up to 40 and 45 years of age but we have learned that they talk the same language we do. This particular group in Cedar Rapids consists largely of people who have come to the city in the past five or 10 years. They haven't always lived there and, therefore, do not have acquaintances of long standing among older underwriters. Many are district representatives of their companies. Because they travel a great deal through the week they are impossible to contact except on week ends and therefore, are not overworked by life insurance agents. They often solve my problems as to what to do on Saturdays."

Salary Allotment Timely

M. Ellsworth Baker, New York City, said that the time is ripe for selling the employer salary allotment insurance because he fears the destruction of the American way through failure to distribute goods and services, he fears inadequate social advance, he fears negation of thrift in government, business, personally and in the lives of his workers. Furthermore, said Mr. Baker, the employer knows his workers want a degree of security in the future and are better workers when they have it.

The employee looks to his job to provide security today and tomorrow, he pointed out. It is the employer's problem to provide it or lose his best men. Relief of the workingman's fears improves his capacity for work. Corporate earnings depend in part on corporate personality—the composite personality of a community of individual workers. Collective security is not the answer and cooperative security must be the watchword. Partnership will relieve the employer's problem of what to do about sick, old, and deceased employees and the real question is what agency will do the job.

R. B. Cullen, Pittsburgh, described the process of selling salary allotment insurance. He stressed the necessity of establishing confidence in approaching officials, department heads, office personnel and even reception clerks, phone operators, messengers, and secretaries. He described the actual selling of the employee and gave the figures on a particular case involving a large manufacturing concern.

Vermont Character Keenly Appreciated

(CONTINUED FROM PAGE 2)

cated that FHA mortgages would bring in about a 4 percent return and even if they defaulted could be swapped for government-guaranteed bonds paying a better rate of return than regular government bonds would yield, the National did not let political prejudice or investment precedent stand in the way. And as President Brigham reported, the experience has been extremely satisfactory. His statement is more significant when it is realized that all FHA mortgages are self-amortizing, so that those bought in 1935 are now about 20 percent paid off, thereby making the company's security even sounder than at the beginning.

Sales Promotion Effective

Another indication of progressiveness is the National's live-wire advertising and sales promotion work. At the entrance to the convention hall there was a display of the material used, along with exhibits which traced various steps in the company's history.

What the field force sees in the National Life was well summed by E. A. Hasek, Kansas City, retiring president of the general agents' association, who conducted the first general session. In introducing Clifford H. Orr, general agent Philadelphia, whose agency did more business in the first seven months of this year than in all of 1939, Mr.

Hasek recalled that the state flower of Vermont is the clover.

"You might know it would have to have something more than just beauty," Mr. Hasek observed, pointing out that the clover is not merely beautiful but also supplies nourishment for livestock or by taking nitrogen from the air revitalizes the soil.

Substitutes for E. D. Field

L. P. Brigham, superintendent of agencies, substituted for Vice-president E. D. Field in greeting the delegates and presenting awards to the leading producers. He explained that Mr. Field was forced for the first time in his long service with the National Life to be absent from one of its conventions. Mr. Field could not attend because of the extremely critical illness of his mother.

Mr. Brigham presented the three trophies to the leaders in volume, premiums, and lives. They are, respectively, J. J. Kellam, Norwalk Conn.; R. P. Burroughs, general agent, Manchester, N. H., and J. T. Bryson, also of Manchester.

Suggests 1930 Production as Goal

Mr. Brigham recalled that the company's peak of paid business was more than \$76,000,000 in 1930. He suggested that those who wanted a real goal try to beat that record. The year 1940 has begun auspiciously, not only in new business, the first seven months showing a 13.78 percent increase over the same period of 1939, but particularly in conservation work. The first seven months of 1940 showed an increase in business in force amounting to \$10,216,043, a sum which exceeds the increase recorded in any one of the last nine years.

"The underwriting program of the National has been increased," he said. "Its portfolio of contracts has been improved. Its adoption of nonmedical procedure seems to have been justified by results. And the salary allotment plan has opened up new fields which some, at least, of our agents are cultivating with substantial results." He mentioned the innovation whereby there will be a Leaders' Club convention next year at a place to be decided upon. Ordinarily the Leaders' Club, for which qualifications are \$200,000, meets at the same time and place as the \$100,000 club every other year.

Get-Together Dinner Popular

An extremely popular feature was the get-together dinner the evening before the first session. G. M. Robinson, Detroit, was toastmaster. There were short talks by Douglas Meredith, treasurer, D. Bobb Slattery, assistant to the vice-president, and Mrs. Dorothy Briggs, Bender Agency, New York City, the only woman agent to qualify for the Leaders' Club.

Karl G. Gumm, assistant superintendent of agencies, was the closing speaker. He sketched the program that was ahead and described it in such a way that everyone was primed to get the most out of it.

E. A. Hasek, general agent, Kansas City, was chairman of the opening session Tuesday. At the afternoon session, which was split into three parts, Deane C. Davis, general counsel, was chairman of the advanced underwriting panel. Mrs. W. J. Stoessel was chairwoman of the wives' seminar and Fred S. Brynn, agency supervisor conducted a young men's clinic.

Tuesday evening the convention party had dinner in the marine dining room and later there was dancing on the beach walk.

W. J. Stoessel, general agent, Los Angeles, was chairman of Wednesday's meeting. A feature of this session was an address on cooperation from the legal department, given by General Counsel Davis.

General Wood Featured Speaker

Gen. Robert E. Wood, chairman Sears, Roebuck & Co., and a director of the National Life, was the featured speaker at the final session Thursday morning. Irvin Bendiner, general counsel, Pennsylvania State Underwriters Association,

spoke on "Selling Is An Inside Job." Mr. Bendiner made the point that "inside" in this connection means inside the agent's cranium and then gave pointers on how agents can save time and make money by using their heads.

In the absence of vice-president E. D. Field, who was scheduled to make the closing talk, D. Bobb Slattery made the farewell address to the delegates.

General Agents Elect

R. P. Burroughs, Manchester, N. H., was elected president of the general agents' association at the session preceding the general convention. H. T. Cummings, Cleveland, was elected vice-president and C. H. Orr, Philadelphia, secretary.

E. T. Wells, New York City; R. C. Meadows, Binghamton, N. Y.; and E. A. Hasek, Kansas City, were elected as the executive committee.

Proceedings Recorded in Wax

Practically every word uttered at the sessions of Chicago convention of National Life was immortalized in wax. Charles E. Crane, director of publicity, brought along to the Chicago convention much of the recording equipment that is used by National Life in its daily radio broadcast, known as "Quote a Day." These were set up in the various meeting rooms and the formal talks and dis-

cussions can now be reproduced in their entirety.

Mr. Crane will make many uses of these records. For one thing, he expects to be able to use certain portions of them in National Life radio broadcasts from time to time. For other purposes, the records serve in lieu of a stenotype recording of the convention. Individuals whose voices are recorded will be interested when visiting the home office to hear how they sounded.

Visitors Are Interviewed

By remote control, Mr. Crane superintends the "Quote a Day" program over the radio station in Waterbury at 8:30 each morning. Visitors to the home office are interviewed about their experiences en route or on any other topic that may be interesting. Sometimes the interview is recorded in wax and then filed away for a future program. Mr. Crane does not depend on any single pattern for his broadcasts, however. He is resourceful and ingenious and provides a varied fare of entertainment. He undertakes to hold life insurance material on the programs to a digestible ratio.

Mr. Crane has to be quite a gadget man in addition to a writer. The recording equipment is complicated and in addition to mastering those gadgets, Mr. Crane operates at the convention two

Our New ARROW of GOLD POLICY Provides —

- 1—Low cost protection at less than term rates.
- 2—Selection of any renewal period (not less than five).
- 3—Renewal privileges any number of times until age 60.
- 4—Final renewal to age 70 (selection period ends at age 60).
- 5—Conversion privileges any time until age 70

A liberal, flexible, low cost contract. Extraordinary first year commissions and renewals.

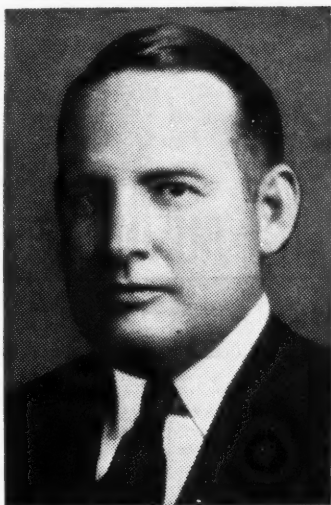
Illinois Bankers Life Assurance Company

MONMOUTH, ILLINOIS

Exceptional General Agency contracts in the states of Illinois, Iowa, Indiana, Ohio, Missouri and Kansas

LIFE • ACCIDENT • HEALTH

Figures in Texas-Illinois Merger



WILLIAM L. DUGGER

William L. Dugger becomes vice-president of Franklin Life of Springfield, Ill., coincidentally with the reinsurance of the ordinary business of Great American Life of San Antonio by Franklin Life. Mr. Dugger who has been vice-president of Great American Life, has been associated with C. E. Becker, president of both companies, since Great American Life was established in San Antonio 10 years ago.

The unusual organization capacity and personal popularity of Mr. Dugger with the field force have been in a large part



C. E. BECKER

responsible for the accomplishments of Great American Life. He is known as a public speaker and has been active in social and civic affairs in Texas. He was organizer and district governor of the first Lions Club in South Texas. Mr. Dugger will make his permanent residence in Springfield, Ill., and will be in charge of Franklin Life activities in Texas, Louisiana, Oklahoma, Kansas and Colorado.

His brother, H. D. Dugger, Jr., has been leading producer for the entire Great American Life organization.

cameras, one a high speed miniature camera and the other a full sized newspaper flashlight camera.

Managing Director W. M. Dewey, of the Edgewater Beach Hotel, in welcoming the convention, mentioned that the Edgewater Beach's first insurance convention was the National Life's 1921 convention. Since then, he said, the hotel has reached the point where it serves more insurance organizations than any other hotel in the country. Mr. Dewey is a distant cousin of Admiral Dewey of Spanish-American War fame and consequently is related to the founder of the National Life, Julius Y. Dewey.

C. J. Zimmerman, Chicago, general agent Connecticut Mutual Life and president National Association of Life Underwriters, spoke briefly on the coming National association convention in Philadelphia. He urged that as many as possible attend.

Distinguished Speakers Before the Claim Body

Distinguished speakers on topics of vital interest will be featured by the International Claim Association at its annual convention Sept. 9-11 at the Broadmoor Hotel in Colorado Springs. In addition to addresses by Governor Carr and Commissioner Kavanaugh of Colorado and D. J. Reidy, Guardian Life, president of the association, speakers will include:

Judge Richard Hartshorne of the court of common pleas, Essex county, N. J., and president of the interstate committee on crime, "Our Insurance Against the Fifth Column."

Maj. Gen. H. J. Brees, U. S. A., commander of the Eighth Corps Area, with headquarters at Fort Sam Houston, Tex., "Our National Defense Program."

H. I. Eager, Kansas City, who will discuss various aspects of Missouri law as pertaining to claim adjusting.

Lowell White of Denver, who will talk on autopsies as affecting claims under accident insurance contracts and double indemnity provisions.

Write your accident and health company for **Hoodoo Day** plans.

judgment and convictions nor restrain your actions as a private individual as opposed to your position as a holder of office."

John Hancock Mutual Is Now in Billionaire Class

The recent publication of the United States corporations that possess a \$1,000,000,000 and more of assets, as compiled by the United Press, elicits the fact that John Hancock Mutual Life would be included in that group were the compilation based upon mid-year figures. John Hancock Mutual passed the \$1,000,000,000 mark in assets at June 30 of this year. United Press undoubtedly took the latest available financial statements in getting up its list and insofar as insurance companies were concerned those would be as of Dec. 31, 1939, when total admitted assets were \$981,719,965. The total gross assets of John Hancock at

Dec. 31, were more than a \$1,000,000,000 however.

STOCKS

H. W. Cornelius of Bacon, Whipple & Co., 135 South La Salle street, Chicago, gives the following stock quotations for life companies as of Sept. 3:

| | Par | Div. | Bid | Asked |
|-----------------------|-------|-------|-------|-------|
| Aetna Life 10 | 1.40* | 25 | 30 | |
| Cent. States Life 5 | ... | 1 | 2 | |
| Colum. Nat. L. 100 | ... | 68 | 72 | |
| Conn. Genl. 10 | .80 | 24 | 26 | |
| Contl. Assurance 10 | 2.00 | 32 | 34 | |
| Great South. L. 10 | 1.30 | 18 | 20 | |
| Kan. City Life 100 | 16.00 | 370 | 410 | |
| Life & Cas. 3 | .50 | 9 | 11 | |
| Lincoln Nat. 10 | 1.40* | 27 | 29 | |
| New World Life 10 | .30 | 3 1/2 | 4 1/2 | |
| N. W. Natl. Life 7.50 | .30 | 10 | 12 | |
| Ohio Natl. Life 10 | 1.25 | 24 | 27 | |
| Old Line Life... 10 | .60 | 9 1/2 | 11 | |
| Sun Life, Can... 100 | 15.00 | 175 | 200 | |
| Travelers 100 | 16.00 | 395 | 410 | |
| Union Cent. Life 20 | 1.20 | 21 | 25 | |
| Wis. National.. 10 | 1.00 | 16 | 18 | |

*Includes extras.

OUR PROSPECTS AND
OUR POLICYHOLDERS
BELIEVE IN THE INTEGRITY OF
GREAT SOUTHERN PROTECTION

ASK ANY GREAT SOUTHERNER
OR
WRITE DIRECT
TO THE
HOME OFFICE
AT
401 LOUISIANA STREET,
HOUSTON, TEXAS



**GREAT SOUTHERN
LIFE INSURANCE COMPANY**

E. P. GREENWOOD, PRESIDENT

N. A. L. U. Officers Asked to Be Neutral in Election

C. J. Zimmerman, president National Association of Life Underwriters, has called upon officers and trustees of the N. A. L. U. to maintain a neutral stand with regard to candidates and sponsoring groups in advance of the Philadelphia convention. He urged trustees and officers to take care that endorsements of candidates and to sponsoring groups be given as individuals and in ways that will not "violate the prestige of any association office."

Often Asked for Commitments

"As the result of enthusiastic campaigning for candidates for office, the present incumbents of elected offices of the N. A. L. U., comprising the board of trustees and officers, are often placed under considerable pressure by various sponsoring groups to publicly commit themselves to this candidate or that, and to one or another association extending an invitation for the National convention," Mr. Zimmerman stated in his letter.

"In my opinion, the best interests of the association are served when an officer or trustee refuses to take any public position, except in most unusual circumstances. The prestige and influence which is inherent in any elective office of the N. A. L. U. is great. That prestige and influence should not be used in furthering the political aspirations of any individual or group.

"Furthermore, taking a public position in favor of some candidate or group may at times arouse to suspicion the thought that secret political deals and pledges have been entered into.

Announces His Own Practice

"I have always taken the position that I would neither violate the prestige of any office in the N. A. L. U. nor misuse its influence by publicly sponsoring any candidate or group.

"You may very well feel it in the best interests of the N. A. L. U. to take a similar position. Doing so will, of course, in no way restrict the exercise of your

EDITORIAL COMMENT

Poaching on Private Preserves

ONE of the problems which is plaguing many companies and general agents today is the proselyting of good agents by other companies. Although most companies do not take another's agent without the original company's permission, a good man receives many lucrative general agency offers. It takes a lot of careful, close supervision to develop a good man these days even though much greater discrimination is being exercised in selecting new men. After the man is producing a good volume of business and is beginning to make a return on the company's or general agent's investment, he is likely to receive such a flattering offer for a general agency that he feels he cannot turn it down.

Often the agent does not have the ability to manage an agency, although he may have done well in personal production, and eventually leaves the business

with a deep resentment. If a company which had a seasoned man who had general agency ambitions could not give him the opportunity which he desired, the practice would not be objectionable, but frequently an agent receives a general agency offer when he has only been in the field a short time and has not acquired enough experience and seasoning to take on the responsibilities of an agency of his own.

It would seem desirable that a company give careful study to the question of developing managerial material within the ranks of its own field force from those who are ambitious for agencies of their own. These men have been inducted into the company's practices in its own way, are familiar with its methods of operation, and are more apt to be appreciative of an opportunity to receive advancement in their own organization.

Causes for Decline in Morale

UNDOUBTEDLY during the last few years there has been a very serious decline in the morale, generally speaking of life insurance salesmen. This may indeed be attributed to a number of causes. Probably one of the greatest factors that has militated against more successful production is due to the change of front on part of companies themselves since 1930. Authorities point out the fact that from 1910 to 1930 there was a constant liberalization and expansion of life insurance coverage. New provisions were granted. There was always coming something new that made a splendid talking point in the canvass. Many of these additions were tassels, so to speak, but they did reveal to the agent the constant upturn of insurance. Companies were willing to do more and more.

Since 1930 there has been just as great a recession. It started with the drastic change in the total and permanent disability clause. There have been increases in rates, less dividends, more restrictive optional settlement clauses and a general bearing down all along the line. This course undoubtedly has had a psychological effect of moment on producers. They are constantly being called upon to explain why these changes had to be made and why life insurance has less to offer for the money than heretofore.

The companies were perfectly justified in the steps they found it necessary to take. However, from a production standpoint it has lowered the morale of the rate book men. This has had a very definite effect on production.

Training Ground for Young Men

A NUMBER of years ago it was a rather common practice in home and department offices of companies to have at least some young men stenographers. In this way they had an excellent opportunity by being secretaries to department heads or executives to learn much about the business. There is probably no greater training school than this. In these days of unemployment it might be well for young men to consider this path of entry into the business. A college graduate could well afford to take a

secretarial course in a business college, because then he would have something definite to offer when he sought a position.

Not long ago a concern in a large city desired to get a young man stenographer. It had a definite purpose in that it desired to obtain the services of a young man who would utilize this position as a stepping stone to higher responsibilities in this institution. It canvassed the business colleges and found that there were no young men taking

stenographic courses. They seemed to look upon this work as effeminate and passed it by.

There are thousands of young men today seeking work. In our opinion, if they took secretarial and stenographic courses in a business college they would stand a much better chance of securing work than they do now. In some concerns men stenographers have developed

into excellent salesmen. Others have used the information and experience they have gathered for executive work in offices.

The suggestion here offered is one that we feel is an excellent one and employers might well let it be known that they will put young men to work who have this particular background and training to recommend them.

PERSONAL SIDE OF THE BUSINESS

Raymond Rhoads, assistant superintendent of insurance of Ohio, is confined to University hospital in Columbus with a heart attack, which occurred a few evenings ago, after he had returned home from the Ohio state fair. He had charge of Red Cross activities at the fair. Mr. Rhoads suffered a similar attack in June and was confined to his home for several weeks.

Jeff B. Bates, Pan American Life district manager at Columbia, S. C., was recently appointed by Governor Maybank to complete an unexpired term as state treasurer. Mr. Bates was formerly state senator for Richland county.

L. H. Vetter, secretary and actuary Midland Life, and Mrs. Vetter are the proud parents of a new son, Glen.

P. A. Eben, Buffalo field training instructor Metropolitan Life, was honored at a testimonial dinner on his 30th anniversary. M. C. Fischer, assistant secretary of the company, was guest of honor.

In 1926, Mr. Eben was appointed manager of the Wyomissing district, and in 1933 was transferred as manager of the Reading office account.

Virginia Hedges, daughter of **B. A. Hedges**, Kansas manager Business Men's Assurance, has been awarded a scholarship at the Sophie Newcomb College for Women in Tulane University, New Orleans, and will enroll this fall. She was graduated with a straight "A" record in all subjects during her high school career.

A pleasant surprise awaited **J. C. Higdon**, vice-president, and **L. L. Graham**, director field service, **Business Men's Assurance**, upon their return to the office from an extended trip to the west coast. Agents sent greetings in the form of applications which boosted the August total, enabling the company again to report an increase for the month when final figures are completed and set a high mark for one day's business. The B. M. A. shows a gain of 6 percent for the year to date. Messrs. Higdon and Graham on their western trip participated in round table meetings in Del Monte, Cal., Longview, Wash., attended by Washington-Oregon salesmen, and Salt Lake City, the last of a series of seven meetings held in the last four months.

S. J. Nadel, Dallas, will teach a course in life insurance, covering economics and actuarial structure, at the Dallas College.

C. E. Mathaurs, Boston general agent Monarch Life, in observance of his completion of 25 years with the company was guest of honor at a dinner in South Sudbury, Mass., which was attended by President C. W. Young, Vice-president

J. W. Blunt and Superintendent of Agents **F. L. Merritt**.

B. D. Williams, manager group department Walter Gastil general agency Connecticut General Life, Los Angeles, president Los Angeles Accident & Health Managers Club, has gone east to attend a group conference of his company in Rye, N. Y., and will visit at the home office before returning home.

P. P. Atkinson, special agent Penn Mutual Life in Little Rock, Ark., for 12 years, was installed last week as president of the Young Business Men's Association.

DEATHS

Charles Ambler, who served as Pennsylvania commissioner in 1918, died at his home in Abington, Pa., at the age of 66. He was a former speaker of the Pennsylvania house.

R. N. R. Bardwell, Atlanta, died after a month's illness. At the time of his retirement four years ago he was southern supervisor of agencies of Guardian Life, with headquarters in Bradenton, Fla. He was active in civic and fraternal organizations.

Mrs. George Kuhns, widow of the former president of the Bankers Life of Iowa, died at her home in Hollywood, Cal., as a result of complications following a broken hip suffered sometime ago. Mr. Kuhns was president of the Bankers Life for 10 years prior to his death in 1926.

Edgar Clark, 69, Seattle, Wash., agent, died from a heart attack. He was for some years general agent for Fidelity Mutual Life.

H. D. Van Brunt, 49, Coral Gables, Fla., broker, died after several months of declining health. He had been associated with Prudential for a number of years.

Rules on Company Status

AUSTIN, TEX.—The attorney-general has held in an opinion to the board of insurance commissioners that when a stock life company meets the various requirements of Article 4871a and becomes a mutual life company, it shall thereafter be subject to the provisions of Chapter 7, Title 78.

Claims of the liquidating division of the Texas board of insurance commissioners for examination bills against mutual assessments companies placed in liquidation cannot be paid ahead of policy claims, the attorney general has ruled.

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NEWS OF THE COMPANIES

New England Mutual Lays Its New Cornerstone

BOSTON—The cornerstone of the New England Mutual's new home office building was set in place at a simple ceremony here. G. W. Smith, president, presided and wielded the silver trowel. There were brief remarks by W. A. Dupee, chairman building committee of directors; J. H. Mooney, building commissioner of Boston; Commissioner Harrington of Massachusetts; J. J. Polachek, Pittsburgh agency, life member Million Dollar Round Table and leading producer New England Mutual in 1940, representing the fieldmen, and E. B. Thurman, Chicago, president General Agents' Association.

A special guest was Fletcher Clark, Sandwich, Mass., 87 years of age, the third oldest policyholder. He has maintained his policy in force for 69 years. Others accorded special recognition were J. A. Barbey, former vice-president and now financial adviser, who has completed 55 years' active service; R. P. K. Neff, who recently retired as assistant secretary after 67 years, and C. S. Dade, whose service also has exceeded a half-century, and now is superintendent of the home office building.

Documents of historical interest were sealed in the cornerstone, including a copy of the charter, dated April 1, 1835, the first mutual life insurance company charter granted in America; a copy of the first policy and also of one written in 1844 on the life of Daniel Webster; copies of the first and latest annual reports, a complete list of the field force, copies of present policy contracts, and a series of photographs of the home office staff at work in the present building.

Campaign Honors Claris Adams

The field force committee of the Ohio State Life, of which H. E. Van de Walker, Detroit manager Michigan agency, is chairman, launched a two-month campaign in honor of Claris Adams, president, termed the "President Adams 1940 Anniversary Campaign." The winning agency will be presented the president's "victory" trophy. In past campaigns, this trophy has been won by the Mansfield, Akron, Pittsburgh and Cleveland agencies. Victory shields also will be presented agencies which exceed their quotas. Cash awards and other prizes will be given the leaders among the individual writers of insurance. Serving with Mr. Van de Walker on the committee are Carl Adams, Cleveland; A. E. D'Emilio, Pittsburgh; J. C. McFarland, Cincinnati, and E. G. Siefert, Marion, O.

New Actuarial Department Set-up

The Dominion Life announces the following changes in its actuarial department: A. N. MacTavish, actuary and assistant general manager, has resigned due to ill health. A. J. Huenergard has been appointed actuary; no assistant general manager has been appointed. E. G. Shafer has been appointed associate actuary and H. M. Atrubin and W. L. Hilliard have been named assistant actuaries.

Malone Named Medical Director

The Gulf Life of Jacksonville has appointed Dr. Bert H. Malone medical director. He attended the University of Georgia, Louisiana State University Medical Center and Johns Hopkins University schools of hygiene and public health. He has been regional medical director for the Georgia department of health.

All States Builds Addition

A four-story addition is being constructed to the All States Life home office building in Montgomery, Ala.

Program for Dedication of Omaha Home Office Given

The formal dedication of the new home office building of the Mutual Benefit Health & Accident and United Benefit Life in Omaha will take place at a banquet the evening of Sept. 26. Most of the attendants at the dedication convention are expected to arrive in Omaha the morning of Sept. 26 and that day will be given over to inspection of the new home office, trips to points of interest in Omaha and a showing of movies depicting operations in the old home office.

The theme of the dedication ceremony will be "Dawn of a New Era." Col. C. E. Forbes, secretary Mutual Benefit Health & Accident, will be master of ceremonies. Following the presentation of state leader cups and the Dr. C. C. Criss life trophy, Miles Scheaffer, secretary United Benefit Life, will give the dedication address. S. C. Carroll, vice-president Mutual Benefit Health & Accident, will speak on "New Era in Policies," and Dr. C. C. Criss, founder and president of the companion companies, on "A 30-Year Dream Comes True and What the Future Holds."

H. C. Carden to Preside

At the convention session Friday morning H. C. Carden, superintendent of agencies, will preside and give the opening address, with reply for the field men by H. K. Coffey. Other speakers at that session will be D. S. Walker, "Quick Money for Life Men;" D. M. Brovan, "Four Dollars or One?" R. F. Sheehan, "Prospecting — Then and Now;" A. M. Holtzman, "Opportunities;" V. J. Skutt, "Claims as a Business Builder;" E. J. Phelps, "Profit Prospecting from a Work Plan;" John McGurk, "Insurance as a Profession," and A. W. Heuertz, "Cooperation."

At the luncheon, special recognition will be given to honor club members. In the afternoon, R. B. Condon, assistant superintendent of agencies, will speak on "Honor Clubs and Their Significance," and L. G. McManus, agency secretary, "Managers Contest as a Clincher," followed by an "Information Please" question box, round table discussions and open meetings. A smorgasbord stag will be held that evening, with a dinner and fashion show for the women.

COAST

S. S. Northington Award for Conservation Established

LOS ANGELES.—W. H. Siegmund, successor to Samuel S. Northington, who was general agent for the Connecticut Mutual in Los Angeles for more than 20 years, announces that Mr. Northington is establishing an annual award for the Pacific Coast Connecticut Mutual producer who leads in conserving business. The home office will present the award for the first time at the conclusion of the current club year, April 30, 1941.

R. S. Northington

The Northington award is a most appropriate one from Mr. Northington as his agency was always outstanding for the excellent persistency of business.

While Mr. Northington has retired because of poor health in recent years, the family name is being carried on as his son, Robert S. Northington, is as-

The UNION CENTRAL BULLETIN BOARD

UNION CENTRAL'S

TOTAL ASSETS

RECENTLY

PASSED

\$400,000,000.00

... and Union Central has placed these dollars in investments which contribute to the progress of every state in the Union

sociated with Mr. Siegmund as agency service manager.

Robert Northington became associated with his father in 1938, working in all departments. He was named manager of the brokerage department in 1939. With Mr. Siegmund he will continue to service the agency's brokers and also be in charge of the agency's policyholders' service department.

The Siegmund agency closed its second month by having its second plus month, exceeding its home office quota.

New Higher Record for Prouty

The Phineas Prouty, Jr., agency of the Connecticut Mutual Life in Los Angeles broke all agency records for paid business in August. Although a new production record was established in July, August surpassed July by approximately 60 percent.

C. F. Merrifield, Portland, Ore., general agent Connecticut Mutual Life, reports that paid business for the first eight months has already exceeded the paid business for the entire year of 1939, and the 1939 business was almost double that of 1938.

ASSOCIATIONS

To Talk in Dallas and Indianapolis

LOS ANGELES—H. E. Belden, associate general agent Union Central Life and president of the Life Underwriters Association of Los Angeles, will speak before the Dallas association on Sept. 17 and the Indianapolis association while on his way east to attend the National association convention.

Minneapolis—Directors of the state association are meeting here this week to map a program of activities for the fall and winter. On Sept. 10 directors of the Minneapolis association will meet for the same purpose and to select delegates to the national convention at which Minneapolis will bid for the 1941 meeting.

Chicago—The Chicago millionaire producers who will constitute the experts in the "Information Please" program Sept. 12 are: M. Lee Alberts, Equitable Society; Paul W. Cook, Mutual Benefit; R. E. Hanley, Equitable Society; S. H. Foreman, Mutual Life; W. N. Hiller, Penn Mutual; Samuel Kahl, Penn Mutual; Herman Kramer, Penn Mutual; A. L. Lanphear, broker; J. E. McNamara, Equitable Society; John Morrell, Equitable Society; H. K. Nickell, Connecticut General; Harry Steiner, Equitable Society; John O. Todd, H. S. Vall & Sons; M. D. Vall, H. S. Vall & Sons; H. T. Wright, Equitable Society; T. D. Harvey, Mutual Life; Milton Goldstandt, Mutual Life, and James Prentiss, Jr., New England Mutual.

Massachusetts—An all day training conference for officers and leading members of the several local life underwriters' associations in Massachusetts will be

Conventions

Sept. 8-10—Insurance Advertising Conference, Haddon Hall, Atlantic City.

Sept. 9-11—International Claim Association, Broadmoor Hotel, Colorado Springs, Colo.

Sept. 9-13—Insurance Section American Bar Association, Bellevue-Stratford Hotel, Philadelphia.

Sept. 23-27—National Association of Life Underwriters, Bellevue-Stratford, Philadelphia.

Sept. 25-27—Life Office Management Association, Des Moines.

Oct. 7-10—American Life Convention, Edgewater Beach Hotel, Chicago.

Oct. 14-16—Life Advertisers Association, Hotel Washington, Washington, D. C.

Oct. 29-31—Research Bureau-Life Officers Association, Edgewater Beach Hotel, Chicago.

Oct. 30-Nov. 1—Actuarial Society of America-American Institute of Actuaries, Greenbrier Hotel, White Sulphur Springs, W. Va.

Dec. 2-4—National Association of Insurance Commissioners, Pennsylvania Hotel, New York City.

Dec. 4—Institute of Life Insurance annual meeting, Waldorf Astoria, New York.

Dec. 5-6—Life Presidents Association, Waldorf-Astoria, New York City.

held at Worcester, Hotel Bancroft, Sept. 16, the topic being "Responsibility and Accountability." R. B. Hull, managing director National association, will speak twice and M. G. Summers, New England Mutual Life, Boston, will describe the legislative situation. L. H. Cook, Springfield general agent Massachusetts Mutual, will talk on "Meetings, Program and Attendance." O. D. Murphy, Boston manager John Hancock, will speak on "Membership." "Objectives in 1941" will be treated by President W. H. Boireau of the state association.

Boston—President Fitzhugh Traylor announced committee chairmen: Auditing and finance, S. A. Smith, Travelers; business standards, McK. H. Warren, Phoenix Mutual; bylaws and legislation, M. G. Summers, New England Mutual; conservation of membership, W. H. Boireau, Berkshire Life; cooperation with attorneys, M. P. Ford, Home Life; cooperation with chamber of commerce, C. F. Gay, Aetna Life; education, H. M. Faser, Jr., Penn Mutual; liaison, H. J. Dowling, New York Life; annual message of life insurance, J. S. Braunig, Massachusetts Mutual; meetings, R. H. Gorton, Connecticut Mutual; membership, W. S. Cobb, Jr., New England Mutual; program, O. D. Murphy, John Hancock; life insurance information, J. H. Fitzpatrick, Mutual Life; sales congress, J. H. Jamison, Northwestern Mutual, and George Nettlich, Metropolitan Life; past presidents, G. P. Smith, New York Life.

Baltimore—The annual meeting has been postponed from Sept. 12 to Sept. 19 on account of Sept. 12 being a state holiday—Defenders' Day.

The recommendations of the nominating committee are: President, F. G. LaMotte, Massachusetts Mutual; vice-presidents, E. J. Clark, Jr., John Hancock, J. V. Hinton, Connecticut Mutual; directors, H. G. Calvert, Penn Mutual; J. P. Graham, Jr., Aetna Life; R. R. Hale, Equitable Society; W. J. Kenealy, Metropolitan; H. N. Stadler, Travelers; H. M. Taylor, Provident Mutual.

San Francisco—To assist women underwriters to get back into production following vacations, the first meeting of the women's committee featured a discussion on "How I Get Started

Again" led by Mrs. Katherine H. Pickett, Provident Mutual Life; Mrs. Elizabeth B. Mayer, State Mutual Life, and Mrs. Gertrude Forsyth, Aetna Life.

Southeast Kansas—The annual sales congress was tentatively set for late in October at Pittsburgh by the officers and directors who met in Parsons.

Manhattan, Kan.—E. D. Hinton has been appointed secretary-treasurer succeeding E. A. Russell who has been transferred to Dallas, Ore., as district agent of the State Farm Life. The opening meeting will be held Sept. 7.

Topeka, Kan.—M. A. Limbackus, president Citizens National Bank of Emporia, spoke on "Life insurance, banking and trust company service, and their relations to each other." Several Topeka bankers and trust officers were guests.

Coffeyville, Kan.—Meetings will be resumed Sept. 19. Grant Taggart, Cowley, Wyo., is being endorsed for secretary of the National association.

Springfield, Mass.—Dr. Allen A. Stockdale will address the noon meeting Monday.

Dallas—John P. Costello, Southwestern Life, has been named acting national committeeman. He will serve at the National association meeting for R. M. White, Jefferson Standard Life, who will be unable to attend.

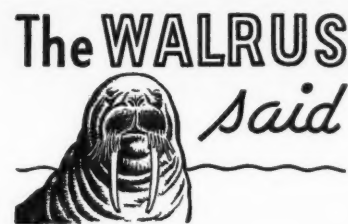
Youngstown, O.—More than 150 attended a corn roast.

Los Angeles—W. K. Murphy, general agent Northwestern Mutual Life, presided at the past presidents' council's initial meeting under his chairmanship.

Hartford—John W. Yates, general agent Massachusetts Mutual Life and trustee of the National association, will speak Sept. 30.

Pittsburgh—Senator Millard E. Tydings of Maryland will speak on "National Economy for Prosperity" at a joint meeting with the Pittsburgh Chamber of Commerce in William Penn Hotel Sept. 19.

Beaver Valley, Pa.—B. F. Davis, manager Pacific Mutual Life, Pittsburgh, spoke on "Little Things That Make a Hit" at a meeting in Rochester, Pa.



Bankers Life Personalities

in the News of Late:—

Smash success was Minneapolis, Minnesota's, first "Aquatennial" staged in July. Among the events offered the two and one-quarter million spectators was a "hole-in-one" contest. Chairman of that event—Bankers Life Agency Manager R. E. Shay. "Bob" hit three balls to start the contest, plunked his first and second shots within two feet of the cup, and the third a mere four feet away under the rules would have scored 280 points and would have been easy winner of the contest but ruled himself ineligible. Bankerslifeman V. A. LeVair was another Aquatennial celebrity as Master of Ceremonies of the Aqua Folies.

Beloit, Wisconsin, Lions Club, boosting a home town rodeo and visiting Janesville, proposed to announce its arrival with an aerial bomb. To Bankerslifeman C. S. "Sid" Renier, General Chairman, was assigned the job of setting off the bomb. Something went wrong. The bomb burst in his face, fractured his jaw, sent him to the hospital for several weeks. He's up and around again, a little weak from eating through a straw but hoping soon to get his talking equipment performing normally.

Piscatorial prowess by Bankerslifeman Walter Sharnborg, Bellevue, Iowa, landed him a four and three-quarter pound trout the other day, admittedly the largest of its species ever caught in waters of the locality. That happened in July and in the same month, Walt was writing \$50,000 of new business.

Joan Schoombs, Cape Girardeau, Missouri, journalism student at Western Reserve, Cleveland, is catching on to Fourth Estate tricks. Home on vacation, Joan read Architectural Record's lavish description of Bankers Life Company's new Home Office building, wrote her own story, proudly saw it printed in the Cape Girardeau News. Joan's dad is Bankerslifeman E. O. Schoombs.

"Bankers Life Special," trim streamlined Soap Box Derby entry in the Springfield, Illinois, race, finished "in the money" under the skillful guidance of young Don Tate, son of Bankerslifeman Morris G. Tate. Cheering Don on was his sponsor, Bankerslifeman Paul McCray, alert advertiser.

Having rounded out two full years of App-A-Week Club membership, Bankerslifeman J. Russell Jones, Grand Rapids Agency, announced his ambitious goal—twenty continuous years of App-A-Week production.

JEFFERSON STANDARD
The Quality-Minded Company

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- Quality Training
- Quality Merchandising
- Quality Business

AGGRESSIVE and PROGRESSIVE

JEFFERSON STANDARD LIFE INSURANCE CO.
JULIAN PRICE, President GREENSBORO, N. C.

BANKERS LIFE
DES MOINES COMPANY
Established 1879

LIFE SALES MEETINGS

Provident Mutual Maps Two Rallies

Regional sales congresses to be held in September at Chicago and Atlantic City bring to an end the program of



WILLARD K. WISE

conventions which featured the Provident Mutual's 75th anniversary year. The series began with meetings for general agents and round table members early in the year, continued with a western sales congress at Del Monte, Cal., in April, and will come to an end with the final session of the Atlantic City program Sept. 21 two days prior to the opening of the National Association of Life Underwriters convention in Philadelphia. It is anticipated that many of the agents will stay over to attend the N.A.L.U. meetings.

Chicago Rally Sept. 9-12

The Chicago convention will be held at the Edgewater Beach Hotel Sept. 9-12. Headline speakers will include Charles J. Zimmerman, president National Association of Life Underwriters; M. A. Linton, president of the company; C. Vivian Anderson of Cincinnati; Louis F. Paret, Philadelphia, and Vice-presidents Edward W. Marshall and Willard K. Wise. Mr. Wise will talk on "The Functional Selling of Life Insurance."

Those attending the eastern regional congress will be taken to Philadelphia for tours of the home office building. A buffet luncheon will be served and in the afternoon there will be a meeting in the auditorium of the service building, at which the speakers will be General Agents A. Morse Baker and Paul Loder, both of Philadelphia; Director Parker S. Williams, a prominent banker; and Vice-president Andrew J. Davis.

Total attendance at the conventions is expected to exceed 725.

Penn Mutual Agents Hold Midwest Regional

Over 150 agents from nine midwest agencies attended the regional educational conference of the Penn Mutual Life in Excelsior Springs, Mo. Present from the home office and participating in the program were President J. A. Stevenson and A. E. Patterson, vice-president. F. A. Schnell, general agent, Peoria, Ill., president midwest regional association, was in charge of the meeting.

Agencies represented were those in Peoria, Kansas City, Wichita, St. Louis, Oklahoma City, Des Moines, Omaha, Davenport and Waterloo, Ia. For the first time the conference this year held a special full day's business program for the wives of agents.

Columbian National Easterners Gather

The eastern division of the Columbian National Life Star Producers Club is holding a four-day meeting at Skytop Lodge in the Pocono Mountains of northeastern Pennsylvania with a program to continue through Saturday. The high point was the banquet address made by President F. P. Sears.

Among guests are S. L. Calechman, general agent New Haven, Conn., president Star Producers Club and the club's secretary, Joseph Schlossberg, associate general agent Providence, R. I. Presidency of the club is won annually by the fieldmen producing the largest volume, and the secretary is the earliest qualifier. Vice-president R. E. DeMaris of the club, Des Moines general agent, was unable to attend because of illness in his family.

Many Addresses on Program

Addresses Thursday were: "The Puritan," David Harmelin, New York City; "More Juvenile Sales," Charles Harrell, Jr., Atlanta; "Other New Policy Forms," A. A. McFall, vice-president and manager of agencies, Boston; "Profits of Accident and Health," Donald F. Nesbitt, Springfield, Mass.; "Policyholders are Valuable," Mark Burston, Boston; "Selling Retirement Income," J. A. Robertson, Pittsburgh; "Announcing Our Direct Mail Plan," R. K. Holden, Boston. The day closed with a reception and banquet.

The Friday program includes: "Social Security," Richard Place, Boston; "Business Building Plans," Bennett Bell, Rutland, Vt.; "It Seems Like Magic," E. G. Horne, Indianapolis, and W. R. Beardslee, Boston; "Observa-

tions and Suggestions," W. L. Sitgreaves, Boston.

Saturday the business program closes with a general agents round table and discussion of agencies, manpower, brokerage and agency profits.

Protective Life's Leaders on Cruise

Each year honor agents of the Protective Life of Birmingham are given a trip to some well known vacation spot as an award for outstanding service dur-



W. J. RUSHTON

ing the club year. This year's trip was a cruise on the Great Lakes from Detroit to Duluth and return with stops at four different Canadian cities.

Protective Club membership is awarded to agents on completion of a quota

"What On Earth Will She Do?"

YOU hear this question asked whenever a man dies and leaves a penniless widow who, for one reason or another, is unprepared to work for a living. Such a situation convinces the thoughtful person that humanity can boast of no greater servant than the life underwriter who persuades the young man to buy all the life insurance he can "swing" and to add to that "nest egg" as rapidly as circumstances permit, until uninsurability or death removes him from the prospect file.

LIFE INSURANCE VIRGINIA COMPANY of

BRADFORD H. WALKER, President

Home Office: RICHMOND



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of paid business on an annual premium basis. All lapses on business paid for during the previous club year are added to the current year's quota. In this way agents are encouraged to write quality business and to be conservation minded about business already on the books.

Membership in the 1940 Protective Club was the largest in history according to W. J. Rushton, president, who with A. C. Wellman, vice-president, T. J. Hammer, director agency service, and C. B. Barksdale, supervisor, accompanied the group.

President of this year's club is H. J. Baum, general agent Birmingham. Other officers are A. L. Bell, Mobile manager, vice-president; and Hoyt Winslett, west Alabama manager, secretary.

Convention trips are so arranged that several meetings are held enroute and members can exchange plans and ideas. They give the officers an opportunity to present company facts and problems.

The 1940 convention began with the annual banquet held in Detroit. Vice-president Wellman acted as master of ceremonies and presented emblems to new members and jeweled emblems to old members who had qualified for five and ten year emblems. Nine new members were welcomed.

President Rushton's Address

The banquet closed with an address by President Rushton who gave a detailed report of the company's operations during the past year. He acquainted the agents with many of the problems and told how the officers were attempting to solve them. One unique feature of the address was that he used the same facts and figures he presented to the directors at one of their regular meetings. It is his idea that the leading agents should be fully acquainted with the problems, accomplishments, and aspirations of management. Among the subjects covered in his talk were investments, bonds, mortgage loans, real estate, and other items in the financial statement. The new application form, recently presented to the field, was discussed by vice-president Wellman who also answered a number of questions on various subjects in one of the informal meetings.

Plans for next year's convention trip have not been announced, but the scheme that has worked so successfully for several years will undoubtedly be used in 1941.

The Columbus, O., agency of the Penn Mutual held a meeting with R. P. Gygli, Columbus manager, presiding. Several representatives of the home

office were present. New methods of merchandising life insurance were discussed by Harry Rasmussen.

West Coast Century Club Votes to Defer Convention

Members of the West Coast Life's Century Club voted to postpone their convention which was scheduled to be held in Harrison Hot Springs, B. C., Sept. 4-6, because of disturbed conditions throughout the world. The convention will be held in 1941.

At the request of leading members of the club, a questionnaire was mailed to all qualified for attendance asking whether they approved holding the convention elsewhere or receiving a cash bonus in lieu of the convention. More than 60 percent voted for the cash bonus, and checks are being mailed to those qualified.

Andreatta Club President

V. J. Andreatta, California, qualified as club president with more than \$250,000 paid business for the club year 1939-40. Regional vice-presidents are: Central department, C. C. Morrell, agency, manager, California; northern department, P. W. Dennison, district agent, Washington; southern department, J. P. Newman, agency manager, Texas; overseas agencies, T. C. Wang, China.

Renewal leaders for the year, each with a score of 100 percent on renewals, were: Eph Poulter, Utah; Bob Woo, California; T. C. Wang, China, and K. B. Hill, China. Thirteen other agents had renewals in excess of 92 percent.

Production continues to show substantial gains over 1939, according to Vice-president H. J. Stewart, who reports July written volume was up 31 percent over the same month last year, and August volume showed an increase of 24 percent.

Seaboard Life Banquet Is Held at Camp Waldemar

The annual banquet of Seaboard Life was held at Camp Waldemar, near Kerrville, Tex., with more than 100 representatives present. President Burke Baker was toastmaster and presented to R. S. Dorsett, Austin agency, the silver cup, a Paul Revere bowl, awarded to the outstanding producer in the year. This was the third successive year Mr. Dorsett had won the cup and he has permanent possession of it.

Jul Baumann, president Texas Association of Life Underwriters spoke, telling the association's purposes and pay-

ing tribute to the average agent, who, Mr. Baumann said, is doing much to save this country.

B. N. Woodson, Sales Research Bureau, discussed the technique of prospecting, which he defined as the effort of a life insurance man to go from his own circle into another circle. He recommended that the agent submit to an acquaintance the name of the man whom he wishes to reach. The result frequently is that the acquaintance will tell how well he knows the successful man, and when asked to give the agent a letter, will call the man on the telephone or permit the use of his name. Mr. Woodson said prospecting must be continuous. While the penalty for neglect of prospecting may be deferred by the agent who is busy selling, the penalty will never fail to come in the form of a non-productive period which will cost the agent money and tend to lower his morale. He urged the adoption of a definite goal in prospecting.

He also discussed selling, saying the sales process must be planned. He stressed the importance of effective presentation, including clear enunciation, correct pronunciation, and a dramatized presentation of a good sales story.

Equitable Society Holds Series of Conferences

KANSAS CITY—Approximately 100 agents of the A. M. Embury agency of the Equitable Society will attend the annual educational conference at Lake Taneycomo in the Missouri Ozarks, Sept. 8-11. Six subjects will be discussed by groups of five agents.

TWO AGENCIES AT GLENWOOD

The C. W. Streeter agency of the Equitable Society in St. Paul held a three-day outing at Sunset Beach hotel, Glenwood, Minn. Immediately following the C. W. Poole agency of South Dakota held its outing at the same place.

CONFERENCE AT CAMP WALDEMAR

Equitable Society Texas representatives will hold their annual convention at Camp Waldemar, near Kerrville, Sept. 12-14 under the direction of W. W. Klingman, Texas agency manager. A. B. Dalager, second vice-president, will represent the home office.

HONOR J. H. HARROP

SALT LAKE CITY—The Tri-State agency of the Equitable Society in a seven-week production campaign in honor of Manager J. H. Harrop's 25th anniversary wrote 548½ applications,

HAVE YOU HEARD, HENRY?
MY BOSS JUST OKED A
CAL-WESTERN HOSPITAL,
SURGICAL AND MEDICAL
CARE GROUP PLAN FOR US.



SWELL, ALPHONSE, WE'VE
HAD THAT PLAN FOR YEARS.
THEIR FINE SERVICE AND
PROMPT CLAIMS SETTLEMENTS
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EVERYWHERE
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"One of The Best"

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DES MOINES

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ASSURANCE SOCIETY
(MUTUAL)

California
Western
States
Life
Insurance Company
HOME OFFICE SACRAMENTO

totaling \$1,256,652. More than 100 agents qualified for the Jackson, Wyo., educational conference. "Special guests included V. L. Bushnell, second vice-president, and W. E. Pauly, divisional group manager.

PARTY FOR TOP 20 IN OHIO

CINCINNATI—The Cincinnati and southern Ohio agency of the Equitable Society held a one-day conference and outing for the top 20 agents who qualified as the result of a six week production campaign. Following a luncheon, the group was taken to a ball game in the afternoon and to dinner at Beverly Hills Country Club by G. J. Woodward, manager.

Oregon Mutual at New High

Insurance in force has surged to an all-time high of \$66,000,000 for the Oregon Mutual Life during the last six months, according to W. C. Schuppel, executive vice-president.

Speaking at the anniversary convention at Harrison Hot Springs, B. C., Mr. Schuppel disclosed that the insurance in force has increased more than \$1,000,000 since the first of this year.

W. P. Stainaker, vice-president and treasurer, revealed that admitted assets are now well over the \$19,000,000 mark. R. R. Brown, vice-president and actuary, reported a continuation of the highly favorable mortality record.

Speakers included John Caplice, agency secretary, and George Schoeffel, Portland manager.

Celebrate Golden Anniversary

On Sept. 19-20 the National Masonic Provident will celebrate its 50th anniversary at an agent's meeting at the home office, Mansfield, O.

Occidental, N. C., Confab in Texas

Occidental Life of Raleigh, N. C., Texas agents held a two day sales conference at Houston. The home office was represented by President L. F. Lee and W. H. Trentman, vice-president and agency director. C. A. Chase, Texas agency supervisor, was in charge of arrangements.

G. R. Parkerson, of the home office of Metropolitan Life, was in Greensboro, N. C., to address a district meeting.

International Claim Group Winners Are Announced

Winners of its essay contest have been announced by the International Claim Association. In all 128 essays were submitted by junior members of claim departments of companies holding membership. The contest was divided into two sections, one for life insurance claim men and the other for accident and health claim men, both divisions writing on "The Claim Department, Builder of Good Will."

Winners of first and second prizes in the life section were H. L. Schilpp, Provident Mutual Life, and Edmund Wildermuth, Metropolitan Life. Winners of first and second prizes in the accident and health section were A. T. Funke, Commercial Travelers Mutual Accident, and C. I. Boutillier, Connecticut General.

Honorable mention was accorded in the life section to Phyllis E. Turner, Sun Life; H. M. Dennis, Mutual Life; R. W. Lederer, Mutual Life; W. I. Fillmore, Massachusetts Mutual Life; T. J. Coyle, Travelers; E. C. Jaehrig, Prudential.

Honorable mention was accorded the following contestants in the accident and health division: G. E. Armeson, Travelers; L. E. Severance, Monarch Life; F. W. Davidson, Travelers; E. J. Rasmussen, Continental Casualty, and C. H. Fritz, Maryland Casualty.

The Hoodoo Day approach really sells accident and health. Get details from your company.

POLICIES

Provident Mutual Makes Annuity Rate Increase

Because of the continued and abnormally low interest rate level Provident Mutual Life has increased the rates for single premium life annuities and single premium installment refund annuities. Following are the new rates:

| Last birth day | Life Annuity | Instal. Refund |
|----------------|------------------------|-----------------------------------|
| M. F. | Prem. for \$100 yearly | An. Inc. purch. by yearly \$1,000 |
| 35 | \$2,666.30 | \$37.51 |
| 36 | 2,631.30 | 38.00 |
| 37 | 2,595.70 | 38.53 |
| 38 | 2,559.50 | 39.07 |
| 39 | 2,522.80 | 39.64 |
| 40 | 2,485.60 | 40.23 |
| 41 | 2,447.80 | 40.85 |
| 42 | 2,409.50 | 41.50 |
| 43 | 2,370.80 | 42.18 |
| 44 | 2,331.60 | 42.89 |
| 45 | 2,291.90 | 43.63 |
| 46 | 2,251.80 | 44.41 |
| 47 | 2,211.20 | 45.22 |
| 48 | 2,170.20 | 46.08 |
| 49 | 2,128.90 | 46.97 |
| 50 | 2,087.10 | 47.91 |
| 51 | 2,045.10 | 48.90 |
| 52 | 2,002.60 | 49.94 |
| 53 | 1,959.90 | 51.02 |
| 54 | 1,917.00 | 52.16 |
| 55 | 1,873.80 | 53.37 |
| 56 | 1,830.30 | 54.64 |
| 57 | 1,786.70 | 55.97 |
| 58 | 1,743.00 | 57.37 |
| 59 | 1,699.10 | 58.85 |
| 60 | 1,655.20 | 60.42 |
| 61 | 1,611.20 | 62.07 |
| 62 | 1,567.20 | 63.81 |
| 63 | 1,523.30 | 65.65 |
| 64 | 1,479.40 | 67.59 |
| 65 | 1,435.50 | 69.63 |
| 66 | 1,392.10 | 71.83 |
| 67 | 1,348.70 | 74.15 |
| 68 | 1,305.50 | 76.60 |
| 69 | 1,262.60 | 79.20 |
| 70 | 1,220.10 | 81.96 |
| 71 | 1,177.90 | 84.90 |
| 72 | 1,136.10 | 88.02 |
| 73 | 1,094.80 | 91.34 |
| 74 | 1,054.00 | 94.88 |
| 75 | 1,013.70 | 98.65 |
| 76 | 974.00 | 102.67 |
| 77 | 934.90 | 106.96 |
| 78 | 896.50 | 111.54 |
| 79 | 858.70 | 116.46 |
| 80 | 821.70 | 121.70 |
| 81 | 785.40 | 127.32 |
| 82 | 749.90 | 133.35 |
| 83 | 715.20 | 139.78 |
| 84 | 681.30 | 146.73 |
| 85 | 648.30 | 154.25 |
| 86 | 616.20 | 162.28 |
| 87 | 585.00 | 170.94 |
| 88 | 554.60 | 180.31 |
| 89 | 525.20 | 190.40 |
| 90 | 496.70 | 201.33 |

Pro rata allowance will be made for each month elapsed since last birthday.

Manhattan Life Annuity Change

Manhattan Life is reducing the return on single premium annuities effective Sept. 10. For males the return will be that which is set forth in the rate book for an age two years younger than the actual age of the applicant.

For females the return will be that for an age three years younger than the actual age of the applicant.

To Continue Present Scale

The General American Life announces that it will continue its present dividend scale without change for the next year.

CHICAGO

H. A. MILLER IN CHICAGO OFFICE

H. A. Miller, special deputy in the Illinois insurance department, is now located in the Chicago office. Heretofore, most of his time has been spent at the Springfield office. Much of his time lately has been devoted to automobile insurance matters.

C. E. WRIGHT IS LIFE MANAGER

Clyde E. Wright has been placed in charge of the life department of the Critchell, Miller, Whitney & Barbour agency of Chicago. He takes the place left vacant by the recent death of Otto A. Piggott. Critchell, Miller takes much satisfaction in being able to promote one of its own men to be head of this department. Mr. Wright's association with

Critchell, Miller dates from 1911. He served in various capacities in the office and recently he became an independent broker associated with Critchell, Miller. He has a fine record of personal production. He is thoroughly grounded in the policies of the office and knows the requirements of the broker from personal experience.

PLAN LARGE PHILADELPHIA GROUP

The Chicago Association of Life Underwriters is planning to have a large delegation attend the National Association of Life Underwriters' annual meeting in Philadelphia Sept. 23-27. So far 44 have made reservations with the association. Arrangements for special parties to leave Sunday, Monday and Tuesday preceding the convention are being made with the cooperation of the Pennsylvania Railroad. Miss Jeannette T. Phillips at association headquarters is in charge of transportation arrangements.

WOODY AGENCY CONFERENCE

The Woody agency of Equitable Society in Chicago is holding its annual educational get together Sept. 6-8 at Elkhart Lake, Wis. Guest speakers will

be E. L. Carson, Wisconsin manager Equitable Society; A. P. Carroll, of the home office, and P. B. Hobbs, manager Chicago Equitable Society. Eighty agents have qualified for attendance at the conference.

HOULE AGENCY FORGES AHEAD

A. R. Houle, Chicago general agent Massachusetts Mutual Life, reports a 34 percent increase in business the first eight months compared to the same period last year. He has just completed his first year in the post, having succeeded John Dingle as general agent in August, 1939. The agency then was in 30th place; now it is 17th. Mr. Houle has been in the business 21 years, for 20 in Chicago.

He was a large personal producer for 18 years, being connected with Mutual Benefit in Chicago and being a member of the Million Dollar Round Table in 1936-1937. He then became supervisor of the E. W. Hughes general agency of Massachusetts Mutual in Chicago, after a year going to St. Paul as general agent of that company. Earlier this year he appointed H. E. Franzen production manager and J. H. Cloud in the brokerage department.

LIFE AGENCY CHANGES

New England Mutual Names

D. O. McLeran at St. Paul and Chescheir at Louisville

Donald O. McLeran, who has been associated with the Fowler agency of New England Mutual Life in Chicago for the past several months, has been appointed general agent in St. Paul for his company. He succeeds Oswin A. Reeves, who will continue as associate general agent. The agency opened new quarters Tuesday of this week in the Pioneer building. Mr. McLeran has had a thorough grounding in the business. He graduated from Dartmouth in 1920. He entered the business with his father, the late G. R. McLeran, who was then Chicago general agent for Home Life. Later the McLerans went with Mutual Life in Chicago in the Heifetz agency. After the death of G. R. McLeran, the son became assistant manager of the Heifetz agency, continuing in that position until he went with the Fowler organization. He won the designation of C.L.U. in 1937.

Mr. Reeves has been 26 years with New England Mutual Life. He succeeded his father, the late A. J. Reeves, as general agent in 1926. O. A. Reeves is resigning his responsibilities of agency management in order to again devote his time to his personal plans.

Wm. Eugene Hays, agency director, gave a luncheon in St. Paul Tuesday in honor of Mr. McLeran. Company representatives from other points in the state attended. Lorin Hord, general agent at Minneapolis, was a guest and spoke briefly.

Col. George M. Chescheir has been appointed general agent for Kentucky. He succeeds Henry T. Thomas, who becomes general agent emeritus after 44 years of service. Mr. Thomas is regarded as an "elder statesman" among his New England Mutual associates. His youthful and invigorating personality, belying his fourscore years, and his warm heart have won for him the affection of thousands.

Mr. Thomas joined the company in 1896, when he formed a partnership with William H. Kaye to establish the general agency for Kentucky. After Mr. Kaye's death in 1934, Mr. Thomas continued as sole general agent. He had

by 1930 built the agency into one of the company's largest. A prolonged illness several years ago, which forced Mr. Thomas to direct the business from his home for a considerable period, could not prevent his maintaining an active and successful organization, and its record during the past decade has been outstanding.

Col. Chescheir from an early age has made his home in Louisville. After several years of varied business experience and military service, he joined New England Mutual in 1922 as an agent, and in 1934 was appointed agency manager by Mr. Thomas. Consistently he has been a leader in agency work and management. He has served as commissioner Council Boy Scouts of America, for the past seven years; chairman mayor's honest election committee, 1938.

Col. Chescheir enlisted in the 1st Kentucky Infantry, National Guard, in 1911. Rising to a captaincy, he saw action on the Mexican border in 1916-17 and later in France. In June of this year he was promoted to his colonelcy.

Merrill Moves to Topeka

KANSAS CITY—E. W. Merrill, for 2½ years general agent here of Northwestern National Life, is moving his general agency to Topeka, Kan., where he has taken space in the Central building. He will continue with the same territory, western Missouri and eastern Kansas. Much of his business is in Kansas. He has absorbed two other

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New and proven sales ideas will be given by the country's most successful producers at the N. A. L. U. meeting in Philadelphia this month. For a complete account of the convention proceedings order extra sets of the three daily editions published by The National Underwriter, 175 W. Jackson Blvd., Chicago. Prices: 1 to 49 sets, 50c per set.

agencies for the company operating in eastern Kansas territory, and is the only one covering that area. Mr. Merrill has been in life insurance over 11 years. He started with the Northwestern National in Kansas, spent eight years with the Equitable Society, and then returned to the Northwestern.

Mutual Trust Life Expands Territory in Home State

The Mutual Trust Life of Chicago is branching out further in its home state

with the opening of the new southern Illinois agency at Salem in charge of H. D. Fagin, general agent. Mr. Fagin's promotion is a result of his outstanding work as a leading producer of quality business and lives written during the past three years he has served the company as general agent at Robinson. The new agency's territory covers 20 counties.



H. D. Fagin

Jeter Named by Mass. Protective

A. L. Jeter, agency organizer for five years of the Eldon D. Wilson agency of the Mutual Life of New York, Richmond, Va., has been named general agent at Richmond for the Massachusetts Protective companies with offices in the Central National Banking building. He succeeds Eugene Brunk, who is being transferred to Asheville, N. C. Mr. Jeter was in production work for five years with the Mutual Life at Huntington, W. Va., before becoming agency organizer at Richmond. His new territory will include most of Virginia except the southwest section which is handled out of Roanoke.

Protective Life Appointments

C. B. McKenzie has been made Texas supervisor of the Protective Life with headquarters at Waxahachie, where he has lived for several years. He will work under the direction of H. C. Cook, state manager of agencies. He is a graduate of the University of Texas. Mr. McKenzie has lived at Waxahachie for a number of years. Mr. Cook makes his headquarters there.

Winchester Graham has been appointed general agent at Columbia, S. C. He has been in the business for 25 years in South Carolina. He has been general agent of the Atlantic Life at Columbia.

Carey with Occidental

J. W. Carey has been appointed Occidental Life general agent in Tacoma, Wash. He was formerly with the Mutual Life in Montana and general agent for Pacific Mutual in Montana and Washington.

Smith Named in Danville, Ill.

Joe C. Caperton, Chicago, general agent State Mutual Life, Illinois, has opened an office in Danville, Ill., with Milton E. Smith in charge. Mr. Smith

formerly was an agent of New York Life in Danville for two years. The office is located in the Adams building, 139 N. Vermilion street. Mr. Smith attended City College of Law & Finance, St. Louis, being graduated in 1925 with the degree of C. P. A. In 1927, he moved to Danville, and in 1938 entered life insurance business on a full time basis. He is a director of the Danville Life Underwriters Association.

General American Appoints

S. C. Unsell has been appointed general agent of General American Life at Wichita Falls, Tex. He was formerly associated with the Smack Reisor agency at Dallas. He has been with the company about seven months and makes a point of stressing proper settlement options. It is found that 46 percent of his contracts thus far contain income agreements.

W. H. (Pat) Ireland has been appointed manager of the General American Life at Topeka, Kan. He attended Ottawa University and took his master's degree at the University of Kansas. He coached athletics for five years and then was city school superintendent at Wellsville, Kan.

The Missouri Farmers Association has been appointed general agent of the General American Life at Columbia, Mo. Glenn Geers, supervisor of sales, will be affiliated with the association, recruiting and training agents. The M.F.A., as it is usually called, is a farmer's cooperative. W. V. Hirsch, editor of the "Missouri Farmer," is president.

J. J. Kendell has been appointed general agent at Huntington, W. Va.

Names Three Texas Managers

California-Western States Life made three important agency appointments in Texas. J. B. Ware, Marshall, Tex., was appointed manager of the Austin agency. He has been unit manager under W. H. England, manager east Texas agency, and made an outstanding record in organization and production work. E. E. Hornish becomes manager of the Corpus Christi agency. He has had 11 years' insurance experience in the south. V. K. Howard becomes manager of the Houston agency. He has had home office and field experience and has done an outstanding job in organization work.

R. E. Dawson Made Tulsa Manager

Ross E. Dawson has been named manager of the Guardian Life, with offices in the National Bank of Tulsa building. He succeeds John Andrews, Jr., who was transferred as manager of the Fort Smith, Ark., agency.

A resident of Tulsa for over 25 years, he has been in the life insurance business since 1922. He is president of the Tulsa C.L.U.

V. T. Fearis, formerly San Antonio manager of the Fidelity Union Life, has resigned to enter personal production with the Travelers in San Antonio.

N. E. England has been named manager of the life department of the Sinclair Agency in New Orleans.

Give your agents a new viewpoint. Distribute Carroll C. Day's "Little Red Wagons and Little Red Boots." Send \$1 for eight copies to National Underwriter.

Phila. Manager



C. J. PEARSON

C. J. Pearson was appointed agency manager of the Philadelphia agency of Bankers Life of Iowa, succeeding C. K. DuMars, who resigned.

W. F. Winterble, director of agencies, and E. P. Kern, assistant superintendent of agencies, were in Philadelphia and introduced Mr. Pearson to the agency. Mr. Pearson goes from the Prudential's Philadelphia agency with which he has been assistant manager since 1937 and connected with it since 1931. Previously he was with Aetna Life. He is a native Philadelphian.

Must Carry Group Cover

BATON ROUGE, LA.—Sheriffs and deputies who own life insurance are not exempt from provisions of the 1940 law requiring sheriffs and deputies other than Orleans and Caddo to carry \$2,000 group insurance, Judge W. C. Jones, executive assistant to the attorney general, declared in an opinion. Under the act, the cost to the insured shall be 60 cents a month per thousand and the bal-

ance of the premiums must be paid from the sheriffs salary fund. The presidents of the Sheriffs and Louisiana Peace Officers Association, and the superintendent of state police are designated in the act to contract with life companies for the insurance.



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for good personal
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Territory Open in Virginia,
West Virginia, and Kentucky

GEORGE WASHINGTON LIFE INSURANCE COMPANY
of
CHARLESTON, W. VA.



LEGAL RESERVE FRATERALS

Modern Woodmen Surprise Party for Aleshire

Modern Woodmen officials and field managers held a surprise meeting and dinner during the Baltimore convention of the National Fraternal Congress for O. E. Aleshire, national president. The three Baltimore camps participated. There were delegations present from Washington, Wilmington, Altoona and New York, about 150 attending. Mr. Aleshire and H. F. Turner, national treasurer, Paducah, Ky., spoke. A. D. Clauser, Reading, Pa., manager eastern Pennsylvania, Maryland and Delaware, was toastmaster. V. W. Potter, manager Washington, D. C., entertained the group before dinner. Among state managers present were Charles Bain, Norfolk, Va., and E. A. Gwinner, Little Rock, Ark.

Protected Home Circle Actuary

Protected Home Circle has appointed Richard A. Anderson of Rock Island, Ill., as resident actuary. For 30 years the actuarial work has been handled by W. F. Barnard of Syracuse, N. Y., consulting actuary. He will be continued in that capacity. For the past 6½ years Mr. Anderson has been actuary of Royal Neighbors. Previous to that he was actuary for Union Mutual Life of Des Moines. He is a native of Iowa and was educated at Iowa State College.

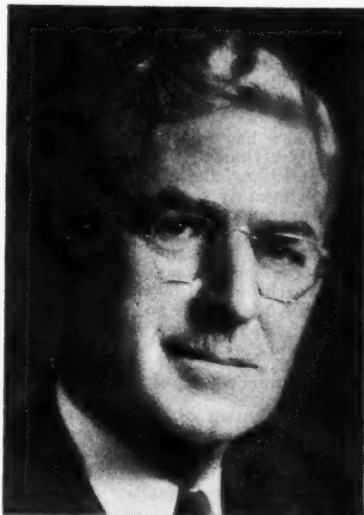
Miss Eakin to North Carolina

Miss Blanche Eakin of Des Moines, state manager of Woodmen Circle in Iowa, has been transferred to Raleigh, N. C., as state manager there. She succeeds Mrs. Effie Rogers, who is retiring after five years in the post. Miss Rogers for 18 years was in the Woodmen Circle head office, being in charge of the certificate department. Then she was district manager in Paducah, Ky., and later was stationed in Sioux Falls, S. D., as manager for North and South Dakota. She has been with the society since graduation from high school. Miss Eakin on her way to Raleigh stopped in Baltimore to attend the annual meeting of the National Fraternal Congress, and received her instructions from Mrs. Dora Alexander Talley, head of Woodmen Circle, who was attending.

Members of the Samaritan Life in Minnesota held an all-day picnic at McCarron's Lake.

New N. F. C. Vice-president Many Years in Business

Thomas R. Heaney, high secretary Catholic Order of Foresters, Chicago, the new vice-president of the National Fraternal Congress elected in the Baltimore annual meeting, has been a fraternal worker for a great many years



THOMAS R. HEANEY

and also had long business experience. He was born in Chicago and entered the postal service after graduating from St. Patrick's Commercial Academy. He was a member of the first graduating class of the Illinois Business College.

Mr. Heaney was superintendent of the Garfield Park postal district in Chicago for 11 years, vice-president of the Garfield State Bank for four years and also was president of the Garfield Park Business Men's Association and vice-president of the West Town Chamber of Commerce in Chicago.

Many Years in Lodge Work

He became state chief ranger of C.O.F. in the Illinois jurisdiction in 1924 after having served for 25 years as a local secretary of Commercial Council No. 26 of Royal League in Chicago. He was treasurer of Holy Family Court No. 1 of C.O.F. at the same time, and for a period of 33 years.

Mr. Heaney was elevated to high

court trustee by C.O.F. in 1928 and early in 1930 to high secretary. In this capacity he has virtually entire executive charge.

His father was one of five men who waited on Archbishop Feehan to secure consent to start the C.O.F., which was formed May 17, 1883. Mr. Heaney now uses in his office the desk which was used in the first organization meeting of C.O.F.

Missouri Congress Rally Oct. 24-25

The Missouri Fraternal Congress will hold its annual convention in the DeSoto hotel, St. Louis, Oct. 24-25. Jones L. Parker, Maccabees, St. Louis, is president and will preside. Paul J. Leyhe is past president and chairman of the legislative committee. Mr. Parker was active in helping to defeat the harmful fraternal insurance code proposed in Missouri several years ago by former Superintendent O'Malley, and also formerly was speaker of the house of the state legislature. A. O. Benz, president

National Fraternal Congress, president Aid Association for Lutherans, Appleton, Wis., is scheduled to address the congress.

Buffalo Managers Plan Meet

BUFFALO—Directors of the Buffalo Life Managers Association held a breakfast meeting to map a program for the coming year. The first meeting will be held Sept. 9. Revision of the constitution and by-laws also was discussed.

The Hoodoo Day approach really sells accident and health. Get details from your company.

THE WOMAN'S BENEFIT ASSOCIATION

Founded 1893

A Legal Reserve Fraternal Benefit Society

Bina West Miller
Supreme President

Frances D. Partridge
Supreme Secretary

Port Huron, Michigan

1883

1940

FIFTY-SEVEN YEARS

ON JANUARY 5, Modern Woodmen of America rounded out fifty-seven years of faithful life insurance service to members and beneficiaries. During this long period the Society has disbursed in excess of \$610,000,000 in death and cash benefits. All claims are paid with a promptness equaled by few life insurance organizations.

MODERN WOODMEN OF AMERICA has always fulfilled its mission of human helpfulness. It has disbursed thousands of dollars in cash for the relief of distressed members throughout the United States. More than 11,000 members have been treated free of charge at its tuberculosis Sanatorium in Colorado.

Life Insurance Protection for the Entire Family

MODERN WOODMEN OF AMERICA

HEAD OFFICE

ROCK ISLAND, ILLINOIS

New N. F. C. Officers, Executive Committee



Above are presented the new officers and executive committee of the National Fraternal Congress elected at the annual meeting held in Baltimore last week. They are (left to right): Miss Frances D. Partridge, secretary Woman's Benefit, Port Huron, Mich., retiring president; J. P. Sekerak, president Greek Catholic Union of Russian Brotherhoods, Munhall, Pa.; A. O. Benz, president Aid Association for Lutherans, Appleton, Wis., new president; O. E.

Aleshire, president Modern Woodmen, Rock Island, Ill.; T. R. Heaney, secretary Catholic Order of Foresters, Chicago, new vice-president; N. J. Williams, president Equitable Reserve, Neenah, Wis.; Mrs. Grace McCurdy, head of Royal Neighbors, Rock Island; Foster F. Farrell, executive secretary manager, Chicago, and Judge T. L. McCullough, president Praetorians, Dallas, past N.F.C. president who installed the new officers.

A NEW HIGH



Insurance in Force.....\$206,079,427.00
Assets\$ 34,721,097.00
Total Benefits Paid.....\$ 22,782,624.00

All standard plans of legal reserve life insurance protection for men, women and children.

Aid Association for LUTHERANS

The largest legal reserve life insurance organization exclusively for Synodical Conference Lutherans.

Alex. O. Benz, Pres.

Appleton, Wisconsin

Otto C. Rentner, Vice-Pres.

Wm. H. Zuehlke, Treas.

Strange Move of NLRB Is Studied

(CONTINUED FROM PAGE 1)

Agents Union No. 21517 (A. F. of L.) as to East St. Louis, and the Industrial Insurance Agents Union Local No. 84 of the United Office & Professional Workers of America (CIO) in New Jersey.

The NLRB notes: "We find that the questions concerning representation which have arisen can best be resolved by elections by secret ballot."

The NLRB ruling doesn't order John Hancock Mutual to do a thing. To all intents and purposes the company is a foreigner to the proceedings and cannot enter the picture until many weeks hence, if it ever wants to come in. Should, by some chance, the workers vote against the labor unions there would be no occasion for the NLRB to take anything up with company officials. The company cannot seek judicial review of the NLRB order and its findings since the United States Supreme Court in *American Federation of Labor, et al., vs. NLRB*, 308 U. S. 401 (1940), has held that such proceedings are not subject to court review. Not until the company has committed an "unfair labor practice," by refusing to bargain with the properly certified union, or, otherwise will the conclusions of law and findings of fact necessary to support jurisdiction of NLRB over the employees of an insurance company be subject to review by the courts, if the company then chooses to contest the decision.

The company's contention that its agents throughout the country, as a whole, should constitute the proper unit for collective bargaining purposes, was swept aside by the NLRB which would have each district office vote as a unit.

CONSTITUTIONAL QUESTIONS

Since before the start of the TNEC investigation the more radical new dealers have been itching for a chance to drag the venerable Paul vs. Virginia decision before the Supreme Court again in an effort to have insurance declared interstate commerce and hence subject to federal control. The new dealers have a sympathetic Supreme Court, but in spite of this, constitutional authorities feel that the court will be loath to reverse Paul vs. Virginia without a specific act of Congress declaring insurance to be interstate commerce. It would be against a long established precedent for the court to take such an important step in broadening the federal government's power merely on the basis of the NLRB's order.

Considering the strength of the Republicans and the anti-new deal Democrats in Congress today it is doubtful if the new deal could push through an act declaring insurance to be interstate commerce and hence subject to federal supervision. It would be an important victory for the new deal forces to get such an act through Congress, as the Supreme Court customarily upholds the constitutional validity of acts of Congress, putting the burden of proof on the other side in order to show that the act is unconstitutional.

The national labor relations act itself is an example of this. In spite of the strained reasoning by which Congress in the act declared labor relations to be linked with interstate commerce, the Supreme Court held that this was the case. If, on the other hand, the federal department of labor, without any authorization of Congress, had decided that labor relations affect interstate commerce and hence should be controlled by the federal government, the Supreme Court would have regarded the move in an entirely different light, even though the labor department had used the same reasoning as was used in the national labor relations act and in support of it before the Supreme Court. Presumably an effort of the NLRB to extend the federal government's authority over life insurance without a specific act of Congress would stand little chance of being upheld even before a friendly court.

As to what the Supreme Court might

do if Congress should pass a law holding insurance to be interstate commerce or at least affecting interstate commerce may possibly be inferred from some of its other decisions, in which the court has got a long way from its earlier strict interpretation of interstate commerce as being the movement of goods across state lines. In the public utility holding company case Congress declared in the act itself that public utility holding companies are affected with a national public interest because, among other things, their securities are widely marketed and distributed by means of the mails and instrumentalities of interstate commerce and are sold to a large number of investors in the different states. The Supreme Court upheld this reasoning.

Close Parallel Found

If "policies" were substituted for "securities" and "policyholders" substituted for "investors" in a Congressional act declaring life insurance to be "affected with a national public interest," the court would have a pretty strong precedent for upholding the act.

While the national labor relations act is extremely broad, the excuse for declaring labor relations to be under the interstate commerce clause was that labor disputes tend to interrupt the free flow of commerce among the states by causing industrial strife and unrest. Even assuming that there is a legitimate connection between labor disputes and interstate commerce, there would be no ground whatever for arguing that the national labor relations act as it stands should be stretched to include life insurance. First, the fact that "industrial" disputes are aimed at would appear to eliminate insurance from the act's scope. Insurance is not "industrial" in the usual sense and in any event it is difficult to see where labor disputes between agents and home offices could have any material effect on interstate commerce.

Furthermore, it could be argued by the opponents of federal control that since the Paul vs. Virginia decision is well known and of long standing Congress could not be presumed to have intended including insurance in the national labor relations act, since nothing is mentioned about insurance.

Zimmerman Calls TNEC Report Biased

(CONTINUED FROM PAGE 3)

that reinsurance and merger are grouped with receivership. This is in itself highly misleading."

The impression given by this conclusion of TNEC, Mr. Zimmerman said, contrasts strongly with the statement of Leon Henderson, SEC commissioner, in regard to the record of financial management and integrity of life insurance. "I think that is an extraordinary record so far as the integrity of insurance policies is concerned. . . It is an amazing record so far as investment policy is concerned."

"As a matter of fact," Mr. Zimmerman went on, "the record is so outstanding to that of other private financial institutions that it would be unkind to make any comparison. The record is so superior to that made by federal fiscal agencies that it would be impossible to make any comparison."

"There is a grave doubt in my mind as to the ethics involved in the release by an administrative agency of our federal government of a report prepared for the exclusive use of a Congressional committee, which in turn has stated through its chairman that its own report and recommendation would be held in strict confidence until after the election so as to avoid throwing the subject in the political arena."

"At this critical time in our history when the utmost confidence of all of

our citizens in our chosen leaders is essential, any unnecessary action or utterance by any government official or agency which leads to loss of confidence or which results in distrust and antagonism is an action against the national interest."

"Those vested with the power of public office are also charged with a tremendous responsibility to the public. We demand that they keep this trust. We believe, as do you, that the best way to prevent encroachment of federal regulation and control is to demand a continuation of efficient state regulation and supervision. . . . When compared to the effective record of state regulation of life insurance, federal regulation of other financial institutions and other lines of business and industry appears to tremendous disadvantage."

"No one has any quarrel with the federal government when it takes over those functions and duties which cannot be efficiently conducted by state or local government. However, it is not only our right but our duty to place a restraining hand upon the grasping arm of a federal government which would reach out and take over those duties which have been and are being effectively conducted by state and local governments."

Keep Insurance Out of Politics

"The institution of life insurance has made every effort to keep life insurance out of politics. It has been our desire not only to keep life insurance out of politics, but to keep politics out of life insurance."

"We live in a changing world and the business of insurance is also changing. Therefore, the laws must be changed to keep in step. Greater uniformity of laws is essential. The N.A.L.U. favors the adoption of legislation favorable to the public interest. There is no conflict between the public interest and the interest of the institution of insurance. As a matter of fact, those interests parallel each other."

"We highly commend the state insurance departments for giving to the public rigid, honest and efficient supervision. These are the convictions of the National Association of Life Underwriters as regards insurance legislation and supervision. The past history and action of the fraternal societies prove beyond a doubt that these also are your convictions. . . . It is my belief that for your own protection all fraternal societies should come under state supervision. . . . The National Fraternal Congress should insist on such state legislation and regulation which will exterminate unscrupulous parasites—fraudulent organizations operating under the cloak of fraternalism."

Comments on Close Bond

Mr. Zimmerman pointed out the close bond of interest that exists between the old line companies and fraternal societies. Their field problems are identical, having to do with scientific selection, education, training and supervision of agents and managers. The public, he said, is demanding a greater degree of skill, knowledge and trusteeship of life insurance representatives.

There are far too many part-time salesmen of life insurance, he said; failures in other businesses, physically broken down or mental misfits. He said the old line companies have made greater progress in eliminating these than have the societies in urban centers. Fraternal representatives must compete with those of old line companies and more and more will be required to sell their products on merits.

Says Fraternal Can Compete

"It is my opinion," Mr. Zimmerman concluded, "that the fraternal representative can compete on equal terms with the representative of the life insurance companies." He noted the extra advantages of fraternal benefits, which are especially acceptable in rural communities, and said the fraternal agent has the tremendous advantage of third party

influence through lodge officers and members.

"But unless you keep pace with the progress made by the life insurance companies in better selection, better education, better training, particularly in the field of selling to fit specific needs, and in the field of programming, then you will not successfully compete."

Compromise Urged for Honest Claims

(CONTINUED FROM PAGE 1)

tion or place the company in a much stronger position, Mr. Dawson said. Speedy action is necessary, particularly in cases involving disputes over double indemnity or disability. In the early stages it is often possible to find out facts which could not be learned later. In disability claims malingerers are quite adept at concealing their activities, once litigation has commenced, but properly directed inspection made prior to litigation often turns up oral and documentary evidence which defeats the claim in court, Mr. Dawson said.

R. F. Wagner Speaks

R. F. Wagner, Jr., of New York City, member of the New York legislature, spoke on the "Outlook for Reforms in the Medical Field." He is a great exponent of government health insurance. He declared in his talk that only a program of compulsory health insurance can bring adequate medical care to the people so that all may possess the qualities necessary to joy and happiness in life and to the greatest attainment of mental and physical development.

Scott Fitzhugh of Memphis, general counsel Columbian Mutual Life, president, is in charge of the meeting. John A. Millener of Rochester, N. Y., secretary, presented his report, saying that there were 80 new members secured since the last convention report, 74 being gotten since August of a year ago. During the year the receipts amounted to \$4,070. The disbursements were \$3,639.

Announce Skeleton Schedule For ALC Annual Meeting

(CONTINUED FROM PAGE 1)

The tentative plans are for the main body to open its sessions the afternoon of Oct. 9. The executive session will be held that evening while the concluding open business sessions are to be on the morning and afternoon of Oct. 10. The main social event, the banquet and dance, is to be on the evening of the 10th.

Four Days Scheduled

It will be noted the annual meetings will cover but four days this year in contrast to five days in recent years. It has been several years since the program was restricted to four days. There were several important reasons for the decision of the 1940 program committee and the executive committee to have sessions on only four days this October. One of the big advantages is that it enables executives to return to their offices before the close of the week, which is very important in these troublesome times, when intricate new business problems are constantly arising and requiring executive attention.

Will Print Johnson's Column

As an additional means of aiding its employees in the development of good relations with the public, the Metropolitan Life on Sept. 9 will begin the regular publication of the syndicated life insurance column "Hindsight and Foresight," by Holgar J. Johnson, president of the Institute of Life Insurance, in its "Daily Bulletin"—a five-days-a-week news sheet which the company publishes for the information of its 15,000 home office employees.

Sales Ideas and Suggestions

Pertinent Points Brought Out at the Agency Convention

By DOROTHY B. PAUL

NEW YORK—The success of the Provident Life & Accident in its relationship of mutual understanding and confidence between the agency force and the home office underwriting department was stressed by all the speakers at its annual convention here.

This factor was particularly brought out by Dr. C. R. Henry, medical director, in his talk "Partners in Underwriting." The agency-underwriting relationship is fundamental, he said. To attain a minimum of friction between the producing and underwriting departments the field force should be educated to the methods employed by the underwriting department. The agent should be schooled to give him an insight into the problems confronting the underwriter. The ability of an applicant to pass a physical examination is not the only factor. The moral and financial aspects are important and the agent governs his own ratio of rejections in the class of business he selects.

Dr. Henry warned against the use of examiners who are prone to pass an applicant without a thorough physical examination. An accurate record of examiners is kept by all companies, he said, and agents should use only those in whom their company has confidence. No well run company declines business lightly and the rejection of a risk has a far reaching effect, not only on the company and the agent, but on the prospect himself, for no man likes to face the fact that he has been turned down for life insurance.

E. H. Mueller's Address

E. H. Mueller, Milwaukee general agent, spoke on "The Universal Appeal." "Select business that will bring you the best income," he counseled. "Don't waste time selling a \$1,000 policy to an employee when you might sell the employer a retirement income contract."

The first principle of selling is to arouse interest, he said. Statistics show that a man retains only 10 percent of what is said to him; only 30 percent of what he reads and 50 percent of what he sees and hears. The use of paper and a heavy lead pencil will keep a prospect's attention, Mr. Mueller stated. In many cases the statement of what the annual premium is will scare a prospect, while the monthly payment plan will appeal to him in that it is a certain amount of money saved each month. "Be receptive to new ideas. Make a file of them. Reword them and try them out yourselves," he concluded.

Family Income Policy

The president of the 1940 Century Club, H. Grice Hunt, general agent, Greenville, S. C., described the Provident's "Family Policy" and his use of it. A type of salary savings plan, this policy is of greatest advantage to the man in the lower wage scale because it enables him to secure protection for all members of his family at a small cost. Its advantage to the higher salaried man lies in its cash value after it has outlived its usefulness as a protection when his family is grown. It is a good policy for new agents, Mr. Hunt stated, because it is an entering wedge and has real value and appeal. Employers welcome it and have been found to lend their support readily to the plan.

Hugh O. Maclellan, home office, spoke of the direct mail material provided, particularly "Your—Provident

Partner." With the proper use of direct mail material, he said, the prospect is prepared for the agent's call and it helps the agent to make more calls, more sales and to sell larger average sized policies. The Provident has a plan by which the agent's own ideas are incorporated into a letter to the prospect, which is individually typed, and if followed up promptly, proves of great value.

Actuary Piper a Speaker

Actuary K. B. Piper had as the title of his talk "We Sell Sleep" meaning that a well rounded out program of insurance implies security and is an invitation to restful slumber. He stressed the importance of providing the policyholder with a full understanding of his insurance program. If he knows exactly what he has and what it will do, he is not likely to be disturbed by the calls of other agents.

"Life insurance is a living will," Mr. Piper said, and should represent a man's finest thoughts for those nearest to him. "Encourage your policyholder to provide for the main contingencies, but leave enough flexibility in the program so that adjustments may be made if emergencies arise." The method of settlement should be kept simple and pliable so that the standard of living of the family does not have to be sacrificed to include something which is not needed at the time. For instance, it is always well to include an educational policy in the program but it should be arranged so that if there were no need for such protection, the money could be turned to better uses. Many a settlement options plan has tied the hands of a beneficiary in the case of an emergency.

Use Social Security Program

He pointed out how the social security program can be a help in selling insurance particularly to the middle class type of prospect because the little it provides shows how much more is needed to maintain a semblance of the same standard of living enjoyed by a family while the "breadwinner" was still alive.

"However," said Mr. Piper, "there is no use in preparing any kind of a program unless you keep in touch with your policyholder to note changing conditions in his life. Otherwise the agreement will never carry out the original purpose it was intended to."

What Constitutes Good Business

Paul M. Ray, Nashville, president of the Presidents Club, spoke on "Good Business." The angles of good business are what is good for the company, for the policyholder and for the agent, he said. Business must be acceptable to the company in all ways and must be of the type that continues.

For the policy holder, it must meet his present needs and provide for the contingencies that may lie ahead and these the agent must be able to foresee, to a certain extent, and help the prospect to recognize them. Mr. Ray compared the agent to a doctor who must be able to make not only a diagnosis of the present trouble but also a prognosis and prescribe accordingly. A good agent must know something about law, finances and taxes. He is the doctor of a prospect's financial and mental well being. He must keep abreast with all the developments in the life insurance business. Otherwise he would be as old fashioned

as the doctor who took his degree 25 years ago and has never looked at a medical journal since then. Mr. Ray also stressed the importance of the clean-up fund and the necessity for an agent to keep in constant touch with his policyholder so as to adjust his insurance to the changing needs of his family.

"The persistency of business written is dependent on the quality of it," R. E. Michaels, conservation manager, pointed out. He said that the lapse ratio is dependent on the man in the field and said that in order to produce a large volume of quality business, agents should improve their prospecting and selling methods. A prospect's occupation is an important factor. A good gauge is that a man is a desirable prospect from the financial standpoint if his annual income is from 75 to 100 times his age, Mr. Michaels said. This is particularly true in the case of young men who are not making high salaries. He also stressed the importance of service and a periodical check of an agent's selling technique.

F. R. Guin, general agent, said that today under the present conditions more people have stopped to think about the future than ever before and there have been more inquiries about life insurance. This is an opportune time for the life insurance agent, he believes, and particularly is it a good time in which to stress the value of business insurance.

The convention closed with a breakfast. President R. J. Maclellan announced that the next meeting would be in Chattanooga at the Lookout Mountain Hotel.

Plan for Exhibits



W. L. JESSUP

W. L. Jessup, Pilot Life, Greensboro, N. C., chairman of the exhibits committee of the Life Advertisers Association, which will hold its annual meeting at the Wardman Park Hotel, Washington, D. C., Oct. 14-16, has a strong personnel associated with him in this work. He plans for the committeemen to arrive in advance of the meeting in order to have ample time for arrangements of all exhibits. Members have been divided into four groups for competitive purposes and two members will be assigned to each group.

Round Table Sessions

The program provides a session on the second afternoon and members will divide into four groups for a round table discussion of the exhibit material. The chairmen of these group discussions will be G. A. Adsit, Girard Life; J. R. Morris, Business Men's Assurance; L. L. Howard, Columbian National Life, and H. A. Richardson, Mutual Benefit Life.

Nine classifications of material are to be exhibited, they being insurance journal advertising, magazine advertising, newspaper advertising, sales promotion, direct mail, publications to agents, publications to policyholders, annual statements and other printed material. A new departure this year is followed in that companies may exhibit material in any six of the nine classifications. Oct. 5 is the deadline for exhibit material to be scheduled.

V. F. Larson Dies While on Visit to Home Office

Verner F. Larson, St. Louis general agent for American Mutual Life, died on Tuesday at Des Moines from a heart attack while visiting the home office in that city. He was 50 years old. Mr. Larson was at one time located in Chicago with North American Life. He resigned in 1934 as secretary of Central States Life of St. Louis after having served in this capacity for 13 years.



V. F. Larson

RECORDS

State Mutual Life—For the seventh consecutive month, a paid-for gain was registered when August business was 49.09 percent more than in August, 1939. The gain for the eight months increased to 28.99 percent. Three-quarters of the agencies made gains during the month. Leading agency for August was the Boston office of Joshua B. Clark, followed by G. F. Robjert's office, also in Boston. Joe C. Caperton's Chicago office leads the entire company for the first eight months.

Ohio State Life—Paid business in August was 12 percent ahead.

United Services Life—As of June 30 insurance in force was ahead of the Dec. 31 figure by 23 percent and premium income increased during the period by 22.91 percent.

Willard Ewing general agency Provident Mutual Life, Chicago.—July production largest for any month since January, 1939, and August volume greatest in agency's history. Increase for eight months this year 21 percent over same period last year.

Low Interest Emphasizes Need of Selection Care

(CONTINUED FROM PAGE 10)

of stated earnings as shown in the foregoing tables Mr. Best gave the following tabulation:

| | % Mortality Saving to total Stated earnings | % of excess interest gains to total stated earnings |
|------------|---|--|
| 1923 | 110.3 | 63.4 |
| 1928 | 106.9 | 55.2 |
| 1933 | 151.5 | 60.1 |
| 1938 | 155.9 | 46.5 |

Mr. Best called attention to the steady increase in the importance of mortality savings and the sharp decrease in the importance of excess interest.

Fraternal Support State Supervision

(CONTINUED FROM PAGE 4)

increased to fund necessary work of the headquarters office in Chicago in charge of Foster F. Farrell, executive secretary-manager. The basic rate was increased from \$50 to \$60 per society, and the charge per 1,000 members increased from \$2.50 to \$3 with a maximum per society of \$750 instead of \$600 as heretofore.

Some Sections May Meet

Mr. Williams presented the resolution to eliminate the February meeting, explaining it entailed considerable expense to societies. He proposed that section officers seriously consider doing away with this meeting. However, it is likely the Fraternal Actuarial Association will hold a meeting in February, and possibly one or more sections will find need to do so. The Fraternal Field Managers Association probably will meet, since in this stage of modernization of the fraternal's selling processes it is felt those in charge of field operations should meet more than once a year to benefit by the discussions and interchanges.

Hill Montague filed a resolution calling for support of the Golden Rule Foundation of New York, of which he is chairman and executive head. This organization is for relief of families overseas. The resolution, which was approved, recommended that societies consider and approve the plan.

Meeting Is Harmonious

Bradley C. Marks, as has been the custom for a number of years, presided during the election. The credentials committee reported 287 accredited delegates. The distinctive feature of this meeting was the complete harmony and accord. There were no opposition slates or candidates, nothing to disrupt the plans of leaders to do everything possible to modernize fraternalism and keep it in step with events.

Under President Benz it is anticipated the congress will make great strides in the coming year. He is a man small of stature but with a dynamic personality, surcharged with energy and the zeal of a society that has made great gains in insurance in force, assets and other items throughout the depression period.

Swear Allegiance to U. S.

Rainey T. Wells, general counsel W.O.W., Omaha, proposed a resolution that was adopted declaring the allegiance of the N.F.C. and its member societies to the U. S. government and its fundamental principles; to the right of the individual to life, liberty and the pursuit of happiness; and that the American way of life is best. The resolution stated that no other system has endowed the individual with so much dignity. It welcomed the peoples of foreign birth who believe in the American democratic system of government and life. Canadian delegates present asked the resolution be revised to include Canadian society members, and this was done.

H. L. Ekern, president Lutheran Brotherhood, Minneapolis, offered a resolution that was adopted, authorizing the executive committee to issue, support or reject legislation affecting the societies. Another which he filed authorizing the committee to "make recommendations" as to uniform action failed as it was feared it would vitiate the previous resolution.

Some Fear of Reprisals

Mr. Wells warned that the TNEC investigation has not yet spread to include fraternal societies, and he raised the question whether the N.F.C. should issue what might be taken by government officials to be a challenge. He pointed out both Democratic and Republican national platforms contain a plank calling for state supervision of insurance and he questioned whether the resolution might not call down an investigation of the fraternal. J. F. Fogarty,

A.O.U.W. of Washington, said, "Let's find out now whether, after having agreed with both major political parties we are living in such times that we would be put under fire."

A highlight of the first general session which caused repercussions in national politics was the talk of Mayor Jackson of Baltimore. Days later newspapers throughout the country were commenting on this talk. Mayor Jackson, a Democrat, said he was not concerned about Hitler, but was about the U. S. government spending \$2 and taking in \$1. He said much was written about soil erosion, but the erosion of real importance was the erosion of constitutional rights and liberties in this country. If the new deal interferes with industry, it will interfere with life insurance and fraternalism, he said.

Urges Being "Good Neighbor"

Margaret Talbot Stevens, associate editor Baltimore & Ohio railroad public relations department gave an interesting talk on being a "good neighbor." She related stories of B. & O. service, which, she said, has been humanized so the people realize a corporation is not soulless.

In the committee reports, J. M. Miller, Chicago, counsel Woman's Benefit, predicted as law committee chairman that 1941 would be a heavy legislative year, with 44 legislatures in regular session.

Frank H. Lee, actuary Woman's Benefit, substituted for the late J. V. Abrahams of Security Benefit, for many years chairman valuations committee. Mrs. Mary A. Baird, Woman's Benefit, chairman publicity committee, reported much news of the convention was printed by Baltimore newspapers and was sent out over wire services, including Associated Press and United Press through the activities of W. D. Riley, publicity director Maccabees. He went to Baltimore especially to handle the convention news, and was assisted by H. L. Rosenbloom, editor W.O.W., Omaha.

The last morning, Judge T. L. McCullough, head of Praetorians, Dallas, Tex., past president N.F.C., installed the new officers. Mrs. Ethel Holway, Woodmen Circle, and Miss Anna E. Phelan, W.C.O.F., were the escort.

Hold Memorial Service

A feature was the memorial service to leading fraternalists who died in the year. The Rev. Monsignor Hugh J. Monaghan, rector St. Ambrose Catholic church, officiated.

The annual banquet was a gala affair, with entertainment by the B. & O. glee club, which has won prizes nationally, and an inspirational address by T. R. McKeldin of Baltimore. Norman Somerville, general counsel I.O.F., Toronto, was to have been toastmaster, but was called away by the serious illness of his wife. T. H. Cannon, head of C.O.F., past secretary N.F.C., and past president 1909-1910, substituted.

Local committees in charge of arrangements were headed up by W. O. Hayes, Maccabees, past president Maryland Fraternal Congress, assisted by J. H. Schmidt, Aid Association for Lutherans, past president Maryland congress, and Mrs. Pauline L. Rhors, Washington, Woodmen Circle. Mrs. E. Olive Eckert, Washington, Protected Home Circle, was in charge of banquet arrangements. The Maryland-District of Columbia Fraternal Congress was the official host to the N.F.C.

Alk and Moynahan Will Head C.L.U. Slate

(CONTINUED FROM PAGE 3)

Chicago He is at present a director of the national chapter. He is now president of the Chicago C. L. U.

Mr. Krueger, the manager of the field service division of State Life of Indiana,

is now serving as treasurer and Dr. McCahan, who is professor of insurance in the business school of the University of Pennsylvania, is also to be reelected. The nominating committee recommends this slate of directors:

Beatrice Jones, manager women's division H. H. Wilson agency, Equitable Society, New York (incumbent); M. Luther Buchanan, Massachusetts Mutual Life, Boston, (incumbent); Maurice S. Tabor, president Calvin S. Elliott Co., Buffalo, general agents Travelers; R. Maxwell Stevenson, general agent National Life, Pittsburgh, (incumbent); Ralph W. Hoyer, general agent John Hancock Mutual, Columbus, O., (incumbent); Frederick A. Savage, general agent New England Mutual Life, Baltimore; Matthew Brown, general agent General American Life, San Antonio, (incumbent); Fred LeLaurin, general agent Aetna Life, New Orleans, (incumbent); A. Walton Litz, manager Franklin Life, Nashville; Frank A. Gordon, general agent Union Central Life, Peoria, Ill.; Harold R. Kauffmann, agency supervisor Northwestern Mutual Life, Minneapolis, (incumbent); Arthur C. Humphrey, agency manager Bankers Life of Iowa, St. Louis; H. K. Cassidy, general agent Pacific Mutual, San Francisco (incumbent); Hugh S. Bell, general agent Equitable Life of Iowa, Seattle (incumbent); Stanley D. Chapin, Mutual Life, Portland, Ore.

E. W. Brailey, New England Mutual, Cleveland, is the outgoing president.

Insurance Counsel Annual Meeting

(CONTINUED FROM PAGE 3)

coverage and a loss of that protection to the public, he said. He warned against taking cases to court when the real reason is merely the lawyer's love of a fight, a cordial dislike for the other fellow, a plain stubbornness disguised as "the honor of the company," or rigid adherence of the principle that once the case goes into litigation it should be tried and never compromised.

Urging a more open minded attitude toward settling cases before trial, Mr. Don Carlos pointed out the good will value of such settlements, not only with the public but with the courts. He also said that it is not up to the adjuster or attorney to attempt to change an underwriting loss into a profit by maladministration in claim work and that to pare or make a so-called salvage on just claims is maladministration and worse. Aside from fraudulent cases, which should be fought to a finish not only to protect the company's interests, but in the best public interest, there is a point at which virtually every claim should be settled, he said.

Knudsen Forced to Cancel

Because of pressure of work as a member of the President's advisory commission to the council of national defense W. F. Knudsen, president General Motors Corporation, will be unable to make his scheduled address. Instead, Will R. Manier, Jr., Nashville, will speak on "An Insurance Policy for America's Future." Mr. Manier is a prominent lawyer and public speaker. He is a brother of Miller Manier, a member of the International Association of Insurance Counsel and former member of its executive committee.

Storms Ahead Are No Worse Than Those Weathered

(CONTINUED FROM PAGE 2)

mortgages and no limit was placed on the percentage that may be invested in insured mortgages. He pointed out that since only 21.8 percent of the company's mortgages are invested in standard mortgages, there is ample margin below the 40 percent limit.

As evidence of the soundness of the

National's mortgages Mr. Brigham mentioned that during the past year representatives of the Vermont, California, Illinois, Ohio and Missouri departments had examined the company and their preliminary report, including 78 test appraisals of properties on which mortgages had been made showed a total valuation of \$2,094,323 for the group, while the corresponding mortgages totaled \$1,111,937, showing that the margin of security was almost 100 percent.

Contingency Reserve Untouched

It has not been necessary to dip into the \$2,000,000 reserve set up at the beginning of the depression to cover losses on foreclosed real estate. During the last eight and one-half years the company sold 1,522 properties having a book value of \$12,855,833, at a net loss of 2.2 percent.

"We have pursued the policy of selling our poorest properties," said Mr. Brigham. "We have also from time to time made adjustments downward in book values of real estate to conform to established sales prices." He added that the state examiners made test appraisals of 95 foreclosed properties and found the appraisals approximately equalled the company's book values and that the examiners stated that "the figures present a favorable comparison between the book values and the appraised values obtained from sources independent of the company." He said the TNEC report on the 26 largest life companies had resulted in favorable publicity for the National, since the report showed the company with a market value of its portfolio of 4.33 percent above cost and with no bonds in default.

Lauds Agency Force

Mr. Brigham praised the agency force as "a most important asset that does not appear on the financial statement." As to how large the National should be, he said that "a life company must add constantly to its membership because to perform its best service to its policyholders its life must be endless. That is why our company spends money in advertising and in developing and maintaining its agencies."

Life insurance, because of its public interest, must expect regulation by public authority and investigation by public bodies from time to time, Mr. Brigham said.

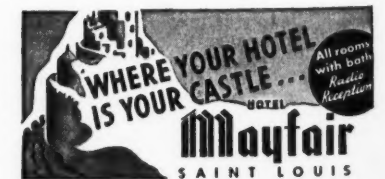
"A friend who has had much experience in public life, told me that he considered it advisable from the standpoint of the well-being of life insurance that there be an investigation by congressional authority at least once in every 10 years," he continued. "This, in his opinion, would result in greater confidence by the people in industry. Certainly a fair investigation would do no harm."

He added that the Institute of Life Insurance has great possibilities as means of telling the public about life insurance and the value of the agent's services.

Two Eight Month Qualifiers

ST. LOUIS—Herman Shanks, St. Louis, and Jesse Downs, Charleston, are the first two agents of the Central States Life to qualify for the 1940 club production in eight months time. Each reached the coveted goal on the same day. The qualification date is Dec. 31.

Unofficial returns from the president's month campaign indicates that the agency forces rolled up close to a new production record in August to pay proper tribute to President Alfred Fairbank.



80 YEARS OF SERVICE

THE
GUARDIAN LIFE
 INSURANCE COMPANY
 OF AMERICA
 NEW YORK CITY



A MUTUAL COMPANY
 ESTABLISHED 1860



THE EMBLEM of a strong, enduring life insurance company which for 73 years has adhered to principles of justice and friendliness. Well directed and soundly managed, the protection the Equitable of Iowa provides to policyholders and their families is

Outstanding by Any Standard of Comparison

EQUITABLE
LIFE of IOWA

HOME OFFICE • DES MOINES



COUNTRY LIFE
 INSURANCE COMPANY

*"Outstanding
 in Every Respect"*

HOME OFFICE • CHICAGO, ILLINOIS

THE
 ULTIMATE FUNCTION

of any life insurance company is the prompt, courteous settlement of claims. We shall be pleased to have you compare our record of claim payment, for a third of a century, with any other which for that long has been excellent.



BANKERS MUTUAL LIFE CO.
 FREEPORT, ILLINOIS

Founded in 1907



Scene at annual picnic of Birmingham Association of Life Underwriters. Shown serving the barbecue plates is E. H. Seesamen, Provident Mutual Life; while in line for a plate are Hayes Clark, Pacific Mutual Life; R. G. Hicks, Prudential; Martin Nunnally, former president Provident Mutual; and T. J. Huey, Prudential, chairman picnic committee.



Benjamin Alk, Penn Mutual Life, New York, has been nominated for president of the National Chapter C. L. U. He will assume office at the Philadelphia convention Sept. 23.

Man's Struggle for Security

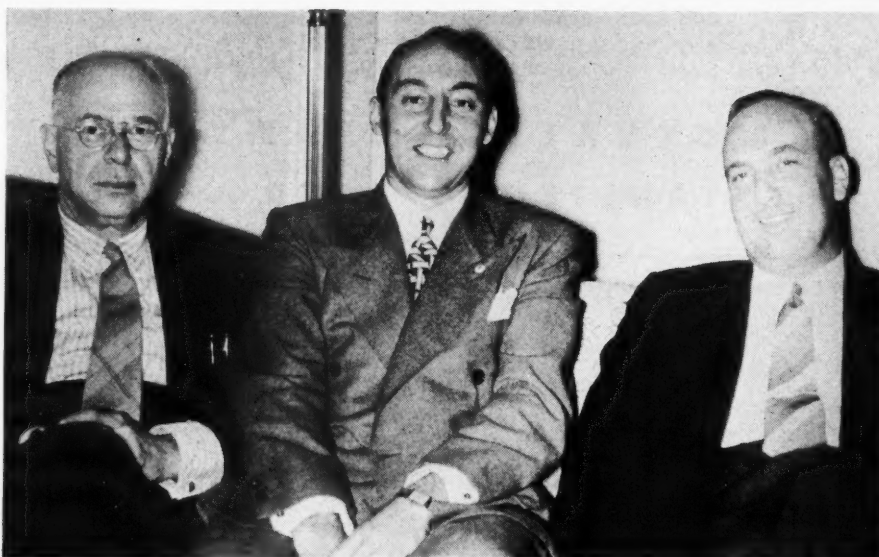
AGES AGO ALL MEN WERE ENEMIES; DID NOT WORK TOGETHER... THE INDIVIDUAL'S ONLY SECURITY WAS THE ABILITY TO KILL HIS DAILY SUPPLY OF MEAT.



TODAY PEOPLE BAND TOGETHER IN LIFE INSURANCE FOR SECURITY, MUTUAL PROTECTION. 64,000,000 AMERICANS OWN 125,000,000 POLICIES WITH FACE VALUE OF \$110,000,000,000



—Courtesy Columbian National Life



Sept. 23-27 the Philadelphia and Pennsylvania associations will be hosts to the National Association of Life Underwriters at its annual meeting in Philadelphia. The presidents of the three associations are shown here (left to right): A. B. Levy, Equitable Society, Pennsylvania; C. J. Zimmerman, Connecticut Mutual, National, and E. L. Reiley, Penn Mutual, Philadelphia president. Mr. Levy and Mr. Reiley are on the executive committee in charge of convention arrangements.

Right—At the National Fraternal Congress gathering in Baltimore: Top (left to right): Norton J. Williams, president Equitable Reserve; Fred A. Johnson, vice-archon Royal League. Bottom: Herman L. Ekern, president Lutheran Brotherhood; and C. M. Bend, Joyce Insurance, Inc., St. Paul.

